

**Stepan Company Board of Directors
Compliance Committee Charter
Adopted April 24, 2018**

I. PURPOSE

The Compliance Committee (the “Committee”) of the Board of Directors (the “Board”) of Stepan Company (the “Company”) is appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to the Company’s overall compliance with significant legal and regulatory requirements, as well as compliance with its business ethics policies and Code of Conduct.

II. LIMITATION OF COMMITTEE’S ROLE

While the Committee has the responsibilities and powers set forth in this Charter, the primary responsibility for assuring the Company’s compliance with applicable legal and regulatory requirements rests with the Company’s management. The primary responsibility with regard to receiving and investigating issues related to ethics and compliance rests with the Company’s Ethics and Compliance Department. Additionally, the Board and the Committee recognize that legal and regulatory compliance personnel (including the legal and ethics and compliance staff) have more knowledge and detailed information regarding the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurances as to the Company’s legal or ethics and compliance programs. In performing its duties, however, the Committee will attempt to provide an open avenue of communication between the Board, the Company’s Ethics and Compliance Department and management.

Furthermore, the Committee’s oversight shall not include compliance matters that fall within the scope of the Audit Committee’s responsibilities. The Audit Committee compliance oversight responsibilities generally include matters directly related to accounting, internal accounting controls or auditing matters, and specifically include matters directly related to (a) the quality or integrity of the Company’s financial statements, (b) the adequacy of the Company’s internal controls over financial reporting, (c) the performance, qualifications and independence of the Company’s registered public accounting firm, or (d) the performance of the Company’s internal audit function for matters within the scope of the Company’s Audit Committee (collectively, “the Audit Committee Compliance Responsibilities”).

III. COMPOSITION

Size. The Committee shall be comprised of no fewer than three members.

Qualifications. Each member of the Committee shall satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange. Each Committee member may receive as compensation (1) director fees and/or (2) pension payments or other deferred compensation, provided that such compensation is not in any way contingent on continued service. To maintain independence, a Committee member may not (a) accept any consulting, advisory or other compensation fee from the Company; or (b) be an affiliated person of the Company or any subsidiary.

Appointment and Removal. The members of the Committee shall be appointed, and may be replaced by, the Board. The Board shall appoint one member of the Committee as Committee Chair.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall:

1. Oversee, review and receive updates on the Company's significant legal and regulatory compliance matters from the Chief Compliance Officer and Vice President, Ethics and Compliance, except for matters directly related to the Audit Committee Compliance Responsibilities, which shall be reviewed by the Audit Committee. Matters within the Committee's oversight responsibilities may include, without limitation, environmental protection, employee health and safety, data privacy, employment, anti-bribery, and product quality compliance.
2. Oversee and review emerging regulatory issues or trends which could affect the Company's legal and regulatory compliance practices, including the consideration and implementation of identified and appropriate industry best practices.
3. Review compliance with the Company's Code of Conduct and recommend to the full Board for approval any waivers of the Code of Conduct provisions applied to officers or directors of the Company, if appropriate.
4. Ensure the appropriate autonomy and resources are provided to the Company's ethics and compliance function. As such, the Chief Compliance Officer and the Vice President, Ethics and Compliance shall have direct reporting responsibility to the Committee Chair.
5. Review the Ethics and Compliance Department's staffing, expenditures and budget with the Chief Compliance Officer and Vice President, Ethics and Compliance to ensure the Company's ethics and compliance function has adequate funding and resources to carry out its mission and objectives in light of the Company's risk profile.
6. Oversee, review and receive updates regarding the Company's ethics and compliance issue reporting mechanisms and investigation functions. This will

include reviewing reports on (a) the process for how ethics and compliance issues are identified and reported to the Ethics and Compliance Department; (b) all significant investigations directed by the Ethics and Compliance Department pursuant to the hotline or other reporting mechanisms maintained by the Company; and, (c) reinforcing the need for independence, objectivity, professionalism and confidentiality as guiding principles in the investigative process.

7. Oversee the periodic review and make recommendations to the Board regarding any proposed revisions of the Company's Code of Conduct.
8. Make regular reports to the Board regarding the activities of the Committee.

V. MEETINGS

The Committee shall meet regularly, with special meetings called as necessary to meet the requirements under this Charter. At a minimum, the Committee shall meet four times per year. At each meeting of the Committee, the Committee shall meet in executive session with the Chief Compliance Officer and the Vice President, Ethics and Compliance. The Committee shall also regularly meet in executive session with no members of management present.

VI. DELEGATION

The Committee may form and delegate authority to subcommittees when appropriate.

VII. RESOURCES AND AUTHORITY

In matters of material importance, the Committee, at its discretion, has the authority to obtain advice and assistance for the Committee from outside legal or other advisors and such other resources as it may deem necessary regarding the Committee's responsibilities and duties set forth in this Charter. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee in that capacity as well as the ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its duties.

VIII. CHARTER REVIEW AND PERFORMANCE EVALUATION

The Committee shall at least annually review and reassess the adequacy of this Charter and recommend any proposed changes to the board for approval. The Committee shall annually review its own performance.