
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 29, 2024

STEPAN COMPANY

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-4462
(Commission File Number)

36-1823834
(IRS Employer
Identification No.)

1101 Skokie Boulevard
Suite 500
Northbrook, Illinois
(Address of Principal Executive Offices)

60062
(Zip Code)

Registrant's Telephone Number, Including Area Code: 847 446-7500

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$1 par value	SCL	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Luis E. Rojo as President and Chief Executive Officer and Departure of Scott R. Behrens

On October 30, 2024, Stepan Company (the “Company”) announced that the Board of Directors (the “Board”) of the Company appointed Luis E. Rojo as President and Chief Executive Officer and as a member of the Board with a term expiring at the annual meeting to be held in 2025, effective immediately, succeeding Scott R. Behrens, who is departing the Company to pursue other opportunities. Mr. Behrens has also resigned as a member of the Board.

Mr. Rojo, 52, has served as Vice President and Chief Financial Officer of the Company since April 2018. From February 2018 to April 2018, he served as Global Hair Care Finance Director at Procter & Gamble Co. (“P&G”), a branded consumer packaged goods company. From April 2014 to February 2018, he served as NA Hair Care Finance Director at P&G.

As President and Chief Executive Officer, Mr. Rojo will receive an annual salary of \$940,000, effective immediately. Mr. Rojo will continue to be eligible to participate in the Company’s short-term incentive compensation program, with a target annual incentive award of 100% of his base salary for 2024 in recognition of his appointment to President and Chief Executive Officer. Mr. Rojo will also continue to be eligible to participate in the Company’s long-term incentive compensation program, and will continue to be entitled to certain perquisites available to executive officers and eligible for certain employee benefits generally available to all employees. In connection with his appointment as President and Chief Executive Officer of the Company, Mr. Rojo will receive:

- a grant of performance shares with a grant date fair value of \$500,000 (at target award level), which performance shares will vest and be paid, if at all, on December 31, 2027, if, during the period from the grant date through December 31, 2027, the Company’s common stock maintains for 20 consecutive trading days a daily closing share price of \$100.00 per share or higher, subject to the terms and conditions of the Company’s equity plan and related award agreement;
- a grant of performance shares with a grant date fair value of \$500,000 (at target award level), which performance shares will vest and be paid, if at all, on December 31, 2027, if, during the period from the grant date through December 31, 2027, the Company’s common stock maintains for 20 consecutive trading days a daily closing share price of \$150.00 per share or higher, subject to the terms and conditions of the Company’s equity plan and related award agreement; and
- a grant of restricted stock units (“RSUs”) with a grant date fair value of \$1,000,000, granted at the average of the high and low price of Company common stock on the date of the grant, that will settle in stock and vest in three equal annual installments on December 31, 2025, 2026 and 2027, subject to Mr. Rojo’s continued employment with the Company through the applicable vesting date and the terms and conditions of the Company’s equity plan and related award agreement.

There are no arrangements or understandings between Mr. Rojo and any other persons pursuant to which Mr. Rojo was named President and Chief Executive Officer of the Company. Mr. Rojo does not have any family relationship with any of the Company’s directors or executive officers or any persons nominated or chosen by the Company to become a director or executive officer. Mr. Rojo does not have any direct or indirect material interest in any transaction or proposed transaction required to be reported under Item 404(a) of Regulation S-K.

Appointment of Samuel S. Hinrichsen as Interim Vice President and Chief Financial Officer

Effective upon Mr. Rojo’s appointment to President and Chief Executive Officer, the Board appointed Samuel S. Hinrichsen to serve as Vice President and Interim Chief Financial Officer of the Company, in addition to continuing his current role as the Company’s Global Director of Finance, until such time as a permanent replacement is named. The Company intends to conduct a comprehensive search to identify a permanent Vice President and Chief Financial Officer. As Vice President and Interim Chief Financial Officer, Mr. Hinrichsen will receive an annual salary of \$300,000, effective immediately. Mr. Hinrichsen will be eligible to participate in the Company’s short-term incentive compensation program, with a target annual incentive award of 48% of his base salary. Mr. Hinrichsen will also be eligible to participate in the Company’s long-term incentive compensation program, with a target annual grant value of \$100,000. Mr. Hinrichsen will be entitled to certain perquisites available to Company vice presidents and eligible for certain employee benefits generally available to all employees. Mr. Hinrichsen, 45, has served as the Company’s Global Director of Finance since January 2023. From January 2022 to December 2022, Mr. Hinrichsen served as the Company’s Finance Director, Business Units and Procurement Finance. From June 2018 to January 2022, Mr. Hinrichsen served as Global Finance Director at CMC Materials Inc. (“CMC”), a global supplier of consumable materials to semiconductor manufacturers. Prior to joining CMC, served as the Company’s Global Senior Finance Manager, Surfactants.

There are no arrangements or understandings between Mr. Hinrichsen and any other persons pursuant to which Mr. Hinrichsen was elected as an officer. Mr. Hinrichsen does not have any family relationship with any of the Company's directors or executive officers or any persons nominated or chosen by the Company to become a director or executive officer. Mr. Hinrichsen does not have any direct or indirect material interest in any transaction or proposed transaction required to be reported under Item 404(a) of Regulation S-K.

Retention Award for Robert J. Haire, Jr., Executive Vice President, Supply Chain

On October 29, 2024, in connection with the announced leadership changes and to promote his continued employment, the Human Capital and Compensation Committee of the Board approved a one-time retention award (the "Retention Award") for Robert J. Haire, Jr., Executive Vice President, Supply Chain of the Company, with a total value of \$600,000, of which 50% will be paid in cash and 50% in RSUs, valued as of the date of grant. The cash awarded will be paid in two equal installments, and the RSUs awarded will vest in two substantially equal installments, each on December 31, 2025 and December 31, 2026, respectively, subject to Mr. Haire's continued employment with the Company through each such vesting and payment date. All unvested/unpaid cash and RSU amounts will become payable upon a termination of Mr. Haire's employment due to death or disability; and a prorated portion of unpaid cash and RSU amounts will also become payable upon a termination of his employment by the Company without cause. The RSU award will otherwise be subject to the Company's previously-filed terms and conditions.

Item 7.01 Regulation FD Disclosure.

On October 30, 2024, the Company issued a press release announcing the officer appointments and departure detailed in Item 5.02 hereto. A copy of the press release is furnished as Exhibit 99.1 hereto and incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release of Stepan Company dated October 30, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STEPAN COMPANY

Date: October 30, 2024

By: /s/ David G. Kabbes

David G. Kabbes

Vice President, General Counsel and Secretary

Stepan Promotes Luis E. Rojo to President and Chief Executive Officer

Northbrook, IL, October 30, 2024 – Stepan Company (NYSE: SCL) today announced the appointment of Luis E. Rojo as President and Chief Executive Officer and as a member of the Board of Directors, effective immediately.

After a 31-year Stepan career, Scott R. Behrens is departing the Company to pursue other opportunities. “We thank Scott for his leadership and his many contributions to the growth and diversification of Stepan over his career with the Company. During his various roles in R&D, sales and marketing, and leadership, he helped diversify our market presence, deliver innovative sustainable technologies and complete multiple acquisitions. We wish him well in his future endeavors,” said F. Quinn Stepan, Jr., Chairman of the Board of Stepan.

Mr. Rojo was most recently the Company’s Vice President and Chief Financial Officer, having served in that role since April 2018. He was previously in increasingly senior finance leadership roles during his 21-year career at Procter & Gamble Co. In addition to his financial expertise and strategic acumen, Mr. Rojo’s experience includes a focus on driving commercial and operational results. His promotion to President and CEO underscores the Company’s commitment to driving long-term strategic value for its shareholders.

“As CFO of Stepan, Luis has developed a deep understanding of all aspects of our business. While he has a strong financial mindset, he also brings a blend of strategic thinking combined with a laser focus on capturing current market and operational opportunities,” said Mr. Stepan. “Luis is a passionate leader who cares deeply about our customers, employees and shareholders. Together with the strong team we have at Stepan, we are confident he will drive profit recovery and deliver value for our shareholders.”

“I am honored to assume the CEO role at Stepan Company and to work alongside our talented team,” said Mr. Rojo. “Together we will work to deliver profitable growth based on customer-centric innovation and operational excellence. I am excited about the opportunities we have as a company and look forward to creating value for our shareholders.”

Stepan also announced that Samuel S. Hinrichsen, currently the Company’s Global Director of Finance, will serve as Vice President and Interim Chief Financial Officer until such time as a permanent replacement is named. The Company intends to conduct a comprehensive search to identify a permanent Chief Financial Officer.

Corporate Profile

Stepan Company is a major manufacturer of specialty and intermediate chemicals used in a broad range of industries. Stepan is a leading merchant producer of surfactants, which are the key ingredients in consumer and industrial cleaning and disinfection products and in agricultural and oilfield solutions. The Company is also a leading supplier of polyurethane polyols used in the expanding thermal insulation market, and CASE (Coatings, Adhesives, Sealants, and Elastomers) industries.

Headquartered in Northbrook, Illinois, Stepan utilizes a network of modern production facilities located in North and South America, Europe and Asia.

The Company’s common stock is traded on the New York Stock Exchange (NYSE) under the symbol SCL. For more information about Stepan Company please visit the Company online at www.stepan.com.

More information about Stepan’s sustainability program can be found on the Sustainability page at www.stepan.com.

Contact: Sam Hinrichsen 847-446-7500

Certain information in this news release consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements about Stepan Company’s plans, objectives, strategies, financial performance and outlook, trends, the amount and timing of future cash distributions, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, Stepan Company’s actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “guidance,” “predict,” “potential,” “continue,” “likely,” “will,” “would,” “should,” “illustrative” and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by Stepan Company and its management based on their knowledge and understanding of the business and industry, are inherently uncertain. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements.

There are a number of risks, uncertainties and other important factors, many of which are beyond Stepan Company’s control, that could cause actual results to differ materially from the forward-looking statements contained in this news release. Such risks, uncertainties and other important factors include, among other factors, the risks, uncertainties and factors described in Stepan Company’s Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports, and include (but are not limited to) risks and uncertainties related to accidents, unplanned production shutdowns or disruptions in manufacturing facilities; reduced demand due to customer product reformulations or new technologies; our inability to successfully develop or introduce new products; compliance with laws; our ability to identify suitable acquisition candidates and successfully complete and integrate acquisitions; global competition; volatility of raw material and energy costs and supply; disruptions in transportation or significant changes in transportation costs; downturns in certain industries and general economic downturns; international business risks, including currency exchange rate fluctuations, legal

restrictions and taxes; unfavorable resolution of litigation against us; maintaining and protecting intellectual property rights; our ability to access capital markets; global political, military, security or other instability; costs related to expansion or other capital projects; interruption or breaches of information technology systems; our ability to retain executive management and key personnel; and our debt covenants.

These forward-looking statements are made only as of the date hereof, and Stepan Company undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.
