

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): 04/30/2019

**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.)

Edens and Winnetka Road, Northfield, Illinois  
(Address of Principal Executive Offices)

60093  
(Zip Code)

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

Not Applicable

(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))

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.

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	New York Stock Exchange

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

(e) Stepan Company (“Stepan”) held its Annual Meeting of Stockholders on April 30, 2019 (the “Annual Meeting”). At the Annual Meeting, the Company’s stockholders approved the Second Amendment to the Stepan Company 2011 Incentive Compensation Plan (the “Plan Amendment”), which was adopted by the Company’s Board of Directors on February 20, 2019, subject to stockholder approval. The Plan Amendment became effective on April 30, 2019. The Plan Amendment (1) extended the term of the Stepan Company 2011 Incentive Compensation Plan, as amended (the “Incentive Plan”), to the earliest of (a) the tenth anniversary of the effective date of the amendment, (b) the date of the 2029 Annual Meeting of Stockholders, or (c) the date on which the Incentive Plan is terminated; (2) authorized the issuance of a total of 1,300,000 shares of the Company’s Common Stock under the Incentive Plan and (3) due to the impact of the Tax Cuts and Jobs Act, amended certain provisions that were designed to comply with the performance-based compensation exemption of Section 162(m) of the Internal Revenue Code.

A description of the terms and conditions of the Incentive Plan, as amended, is set forth under the heading “Proposal No. 3: Approve an Amendment to the Stepan Company 2011 Incentive Compensation Plan” in Stepan’s Proxy Statement on Schedule 14A, which was filed with the Securities and Exchange Commission on March 29, 2019, which description is incorporated herein by reference. The foregoing summary is qualified in its entirety by the complete text of the Plan Amendment, which is attached as Exhibit 10.1 hereto and incorporated herein by reference.

**Item 5.07. Submission of Matters to a Vote of Security Holders**

At the Annual Meeting there were 20,820,562 shares of Stepan’s common stock represented to vote either in person or by proxy, which represented a quorum. Stockholders voted on the following matters at the Annual Meeting: (1) election of two nominees to serve as directors until the annual meeting of stockholders to be held in 2022; (2) an advisory resolution on the compensation of Stepan’s named executive officers; (3) approval of the Plan Amendment and (4) ratification of the appointment of Deloitte & Touche LLP as Stepan’s independent registered public accounting firm for fiscal year 2019.

Set forth below are the matters acted upon at the Annual Meeting and final voting results on each such matter as reported by Stepan’s inspector of elections.

Proposal 1: Election of Directors

<u>NAME</u>	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>BROKER NON-VOTES</u>
Michael R. Boyce	15,523,905	3,268,920	14,917	2,012,820
Edward J. Wehmer	15,273,499	3,514,728	19,515	2,012,820

Proposal 2: Advisory Vote to Approve the Compensation of Stepan’s Named Executive Officers

<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>BROKER NON-VOTES</u>
18,145,092	635,787	26,862	2,012,820

Proposal 3: Approve an Amendment to the Stepan Company 2011 Incentive Compensation Plan

<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>BROKER NON-VOTES</u>
18,216,504	534,892	56,345	2,012,820

Proposal 4: Ratification of the Appointment of Deloitte & Touche LLP as Stepan’s Independent Registered Public Accounting Firm for 2019

<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>	<u>BROKER NON-VOTES</u>
20,566,916	234,552	19,094	0

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Second Amendment to the Stepan Company 2011 Incentive Compensation Plan

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EXHIBIT INDEX

**Exhibit**

**No.**

**Description**

10.1

[Second Amendment to the Stepan Company 2011 Incentive Compensation Plan](#)

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**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.

Date: May 6, 2019

STEPAN COMPANY

By: /s/ Brian Bichkoff  
Brian Bichkoff  
Interim General Counsel and Secretary

## SECOND AMENDMENT

to the

## STEPAN COMPANY 2011 INCENTIVE COMPENSATION PLAN

Section 5.9 of the Stepan Company 2011 Incentive Compensation Plan (the "Plan") provides that the Plan may be amended at any time by action of the Board of Directors of Stepan Company (the "Company"), subject to the requirement that any such amendment must be approved by the Company's stockholders to the extent such approval is required by law, agreement or the rules of any national securities exchange or national securities association on which shares of the Company's stock may be traded. In accordance with the authority granted to the Company Board of Directors pursuant to Section 5.9 of the Plan and the approval provided by the Board of Directors of the Company, but subject to the approval of the Company's stockholders, the Plan is hereby amended as follows effective as of April 30, 2019:

1. Clause (vi) of Section 1.3 of the Plan is amended to read as follows:

"(vi) to delegate to an executive officer any portion of its authority under the Plan to make Awards, subject to any conditions that that the Committee may establish, as well as any limitations imposed by law, agreement or the rules of any national securities exchange or national securities association on which the shares of Stock (as defined below) may be traded,"

2. Section 1.4 of the Plan is amended to read as follows:

"1.4 *Shares Subject to the Plan.* Subject to subsection 1.5, the number shares of common stock of the Company ("Stock") available for issuance under the Plan as of April 30, 2019, shall be 650,689 plus (a) the number of shares of Stock remaining available for issuance under the Plan immediately prior to April 30, 2019, and (b) any shares of Stock that underlie an Award granted prior to April 30, 2019 that expire unexercised, terminate, are surrendered, canceled, settled in cash in lieu of Stock or in such manner that all or some of the shares subject to the Award are not issued to the applicable Participant. Such shares shall be either authorized and unissued shares or treasury shares (including, in the discretion of the Board of Directors of the Company, shares purchased in the market) of Stock. If any Awards under the Plan or portion thereof shall expire unexercised, terminate, be surrendered, canceled, settled in cash in lieu of Stock or in such manner that all or some of the shares subject to the Award are not issued to the Participant, such shares shall (unless the Plan shall have terminated) become available for additional Awards under the Plan. Shares withheld for taxes pursuant to subsection 5.1, shares tendered to pay the purchase price of Stock Options and Stock Appreciation Rights pursuant to subsections 3.2 and 4.2, and shares purchased by the Company in the market shall not be added to the shares available for issuance. The Plan does not permit liberal share counting for Stock Appreciation Rights. All shares of Stock covered by a Stock Appreciation Right shall be counted towards the shares available for issuance."

3. Section 1.6 of the Plan is deleted in its entirety.
4. Section 3.6(c) of the Plan is hereby deleted and shall instead read “[*Intentionally omitted.*]”.
5. Section 3.6(d) of the Plan is amended to read as follows:

“(d) No more than 250,000 shares of Stock may be granted as Stock Awards to any one individual during any one calendar year period (sometimes referred to hereinafter as “Plan Year”).”
6. Section 3.7 of the Plan is amended to read as follows:

“3.7 *Performance Grants.* The Committee may, in its sole discretion, award Performance Grants under the Plan. A Performance Grant is a right to receive cash or shares of Stock (or a combination thereof) based on the attainment of one or more performance goals (“Performance Goals”) established by the Committee measured over a given performance period, which is no less than three years. Each Performance Grant shall contain the Performance Goals for the award, including the applicable performance criteria approved by the Committee for such Performance Grant, the threshold, target and maximum amounts payable, the length of the applicable performance period, whether the Performance Grant will be settled in cash or shares of Stock (or any combination thereof), and any other terms and conditions as are applicable to the Performance Grant. The terms of a Performance Grant may be set in an annual bonus plan or other similar document. In the event of any conflict between a Performance Grant and the Plan, the terms of the Plan shall govern.”
7. Section 3.8(a) of the Plan is amended to read as follows:

“(a) Performance Goals: The Committee shall establish the Performance Goals for Performance Grants. The Committee shall determine the extent to which any performance criteria shall be used and weighted in determining the extent to which a Performance Grant will become vested and/or payable. The Committee may vary the performance criteria, Performance Goals and weightings from Participant to Participant, Performance Grant to Performance Grant, and Plan Year to Plan Year.”
8. The first sentence of Section 3.8(b) of the Plan is amended to read as follows:

“The Committee shall establish for each Performance Grant the amount of cash or shares of Stock payable at specified levels of performance, based on the Performance Goal for each applicable performance criteria.”
9. The first sentence of Section 3.8(c) of the Plan is amended to read as follows:

“The actual payments to a Participant under a Performance Grant will be calculated by applying the achievement of the applicable performance criteria to the Performance Goal as established in the Performance Grant.”

10. Section 3.8(f) of the Plan is deleted in its entirety.

11. Section 5.8 of the Plan is amended to read as follows:

“5.8 *Term of the Plan.* The Plan was adopted by the Board of Directors on March 18, 2011 and was effective as of the Effective Date. The Plan was amended effective on January 1, 2018 by the Board of Directors in a manner that did not require approval of the Company’s stockholders. The Plan was further amended on February 20, 2019 by the Board of Directors in a manner that required approval of the Company’s stockholders and such amendment was approved by the Company’s stockholders on April 30, 2019 (the “Amended Effective Date”). The terms of the Plan as in effect immediately prior to the Amended Effective Date shall apply to Awards granted prior to the Amended Effective Date. No Awards shall be granted under the Plan after the earliest to occur of (a) the tenth anniversary of the Amended Effective Date, (b) the date of the annual meeting of the Company’s stockholders in calendar year 2029, or (c) the date on which the Plan is terminated pursuant to subsection 5.9.”

***[Signature Page Follows]***

IN WITNESS WHEREOF, subject to obtaining the approval of the Company's stockholders, the changes made by this Second Amendment shall be effective as of April 30, 2019, shall only apply to Awards (as defined the Plan) made pursuant to the Plan on or after such date, and shall be void and of no further force or effect if this Second Amendment is not approved by the Company's stockholders by April 30, 2019.

**STEPAN COMPANY**

By: /s/ Janet A. Catlett

Name: Janet A. Catlett

Title: Vice President and  
Chief Human Resources Officer

Date: April 30, 2019