
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): 10/20/2008

STEPAN COMPANY

(Exact name of registrant as specified in its charter)

Commission File Number: 1-4462

Delaware
(State or other jurisdiction of
incorporation)

36-1823834
(IRS Employer
Identification No.)

Edens and Winnetka Road, Northfield, Illinois 60093
(Address of principal executive offices, including zip code)

(847)446-7500
(Registrant's telephone number, including area code)

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

Effective October 20, 2008, the Board of Directors ("Board") of Stepan Company ("Stepan") adopted the Performance Award Deferred Compensation Plan (Effective January 1, 2008) (the "Plan"). The Plan allows Participants to defer receipt of all or a portion of certain incentive compensation payments until their employment with Stepan terminates in accordance with the provisions of the Plan. Such deferral is available for such incentive compensation payments made pursuant to Stepan's 2000 Stock Option Plan, 2006 Incentive Compensation Plan or other similar and approved long-term incentive plans as allowed under the Plan. Deferred payments to a Participant may be received in a single lump sum or certain annual installments after such termination.

The descriptions of the Plan in this report are a summary of the Plan and are qualified in their entirety by the terms of the Plan. A copy of the Plan is attached as Exhibit 10.1 hereto and incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

Effective October 21, 2008, the Board approved an amendment to the Amended and Restated Bylaws of Stepan Company ("Bylaws").

Article X of the Bylaws was amended to mandate indemnification and advancement of expenses to current and former directors and officers. Previously, the Bylaws mandated indemnification of current and former directors and officers and advancement of expenses only to current directors and officers, but allowed advancement of expenses to former directors and officers at the discretion of the Board. No other changes were made to the Bylaws. A copy of the Bylaws, as amended, is attached as Exhibit 3(ii) hereto and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number - 10.1

Description - Performance Award Deferred Compensation Plan (Effective January 1, 2008)

Exhibit Number - 3(ii)

Description - Amended and Restated By-Laws of Stepan Company (Amended as of October 21, 2008)

Signature(s)

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 23, 2008

By: /s/ Kathleen O. Sherlock

Kathleen O. Sherlock
Assistant Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-10.1	Performance Award Deferred Compensation Plan (Effective January 1, 2008)
EX-3.(ii).	Amended and Restated By-Laws of Stepan Company (Amended as of October 21, 2008)

STEPAN COMPANY

PERFORMANCE AWARD DEFERRED COMPENSATION PLAN (EFFECTIVE JANUARY 1, 2008)

I.

INTRODUCTION

1.1 *Purpose of the Plan.* The purpose of the Stepan Company Performance Award Deferred Compensation Plan is to provide eligible executive, managerial and key employees of Stepan Company (the "Company") with the opportunity to defer receipt of all or a portion of certain incentive compensation payments in accordance with the provisions of this Plan.

II.

DEFINITIONS

As used herein, the terms set forth below shall have the following meanings:

2.1 *"Affiliate"* means any corporation, partnership, joint venture, trust, association or other business enterprise which is a member of the same controlled group of corporations, trades or businesses as the Company within the meaning of Code Section 414(b) or (c); provided, however, that for purposes only of the term "Affiliate" when used in the definition of "Separation from Service" below, in applying Code Section 1563(a)(1), (2), and (3) in determining a controlled group of corporations under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Code Section 1563(a)(1), (2), and (3), and in applying Treasury Reg. § 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Code Section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Treasury Reg. § 1.414(c)-2.

2.2 *"Board"* means the Board of Directors of the Company.

2.3 *"Code"* means the Internal Revenue Code of 1986, as amended.

2.4 *"Committee"* means the Compensation and Development Committee of the Board.

2.5 *"Common Shares"* means the shares of common stock of the Company or any

security into which such common stock may be changed by reason of any transaction or event of the type referred to in Section 8.1.

2.6 *"Company"* means Stepan Company or its successor or successors.

2.7 *"Company Stock Account"* has the meaning assigned thereto in Section 4.1

hereof.

2.8 *"Deferral Request"* has the meaning assigned thereto in Section 3.1 hereof.

2.9 *"Deferred Performance Share"* has the meaning assigned thereto in Section 4.1 hereof.

2.10 *"Employee"* means an employee of the Company who is a participant in a

Performance Share Plan. Notwithstanding the foregoing, an employee of the Company shall not be an Employee if he or she is deemed by the Committee not to be a member of a select group of management or highly compensated employees of the Company within the meaning of Parts 2, 3 and 4 of Title I of ERISA.

2.11 *"ERISA"* means the Employee Retirement Income Security Act of 1974, as amended.

2.12 *"Newly Eligible Employee"* has the meaning assigned to it in Section 3.2 hereof.

2.13 *"Participant"* means any Employee who has at any time elected to defer the

receipt of Performance Share Compensation in accordance with the Plan.

2.14 *"Performance Share Compensation"* means (i) cash incentive compensation earned by and payable to an Employee pursuant to a Performance Share Plan and (ii) incentive compensation earned by and payable to the Employee in the form of

Common Shares pursuant to a Performance Share Plan, which incentive compensation, in either case, is based on an award of performance shares under the Performance Share Plan and the achievement of performance goals over a performance period, excluding, however, options, stock appreciation rights, and restricted stock subject to taxation under Section 83 of the Code.

2.15 “*Performance Share Plans*” means the Stepan Company 2000 Stock Option Plan, the Stepan Company 2006 Incentive Compensation Plan or other similar Company long-term incentive plans approved by the Committee for purposes of this Plan, as any such plan shall be amended from time to time.

2.16 “*Plan*” means the Stepan Company Performance Award Deferred Compensation Plan, as amended from time to time.

2.17 “*Separation from Service*” means in respect of a Participant, a “separation from service” within the meaning of Code Section 409A and the regulations issued thereunder, including a termination of employment with the Company and all its Affiliates due to retirement, death, or other reason. For purposes of applying the definition of “separation from service” under Section 409A, if the Participant is on a bona fide leave of absence due to any medically determinable physical or medical impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, a Separation from Service shall be deemed to occur after the expiration of 29 months of sick leave unless the Participant retains the right to reemployment under an applicable statute or by contract.

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2.18 “*Specified Employees*” means, during the 12-month period beginning on April 1st of 2008 or of any subsequent calendar year, an employee of the Company or its Affiliates who met the requirements of Section 416(i)(1)(A)(i), (ii) or (iii) of the Code (applied in accordance with the regulations promulgated thereunder and without regard to Code Section 416(i)(5)) for being a “key employee” at any time during the 12-month period ending on the December 31st immediately preceding such April 1st. Notwithstanding the foregoing, a Participant who otherwise would be a Specified Employee under the preceding sentence shall not be a Specified Employee for purposes of the Plan unless, as of the date of the Participant's Separation from Service, stock of the Company or an Affiliate is publicly traded on an established securities market or otherwise.

III.

ELECTIONS

3.1 *Deferral Requests.* Subject to the terms and conditions of the Plan, including Section 3.2, an Employee may elect to defer the payment of 100% (and not less than 100%) of the Performance Share Compensation earned by the Employee under a Performance Share Plan for a performance period ending on or after December 31, 2008, by filing a written request (a “Deferral Request”) with the Committee or its designee in such form as it may require. Unless the Participant is a Newly Eligible Employee as provided in Section 3.2 below, such Deferral Request must be filed with and accepted by the Committee or its designee by no later than December 31 of the calendar year immediately prior to the calendar year in which the Performance Share Compensation grant is awarded or such earlier date as the Committee may prescribe; provided, however, that such a Deferral Request in respect of Performance Share Compensation for Performance Share Compensation grants awarded in 2006, 2007 and 2008 and that, if earned, would be payable after December 31, 2008 but not later than the 15th day of the third month following the end of the applicable performance period, may be filed with and accepted by the Committee or its designee no later than October 31, 2008. A Participant’s Deferral Request for any Performance Share Compensation shall become irrevocable as of midnight on the December 31 of the year immediately prior to the calendar year in which the Performance Share Compensation grant is awarded, or such earlier date as the Committee shall prescribe, except that in the case of the Performance Share Compensation grants described above awarded in 2006, 2007 and 2008, such Deferral Requests shall become irrevocable as of midnight on October 31, 2008.

3.2 *Newly Eligible Employees.* An Employee who is initially selected by the Committee to be a Participant in the Performance Share Plans during a calendar year beginning on or after January 1, 2009 (and who is not already a Participant or eligible to participate in any other nonqualified deferred compensation plan that would be aggregated with the Plan pursuant to Code Section 409A) (a “Newly Eligible Employee”) shall be entitled to file a Deferral Request with respect to a pro-rata portion of Performance Share Compensation to be earned in respect of any grant of Performance Share Compensation awarded during such year.

(i) Such a Deferral Request must be submitted to and accepted by the Committee or its designee within 30 days after the date on which the Newly Eligible Employee is initially selected by the Committee to be a Participant in the Performance Share Plans. If the Deferral Request is not submitted and accepted within 30 days, the

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Newly Eligible Employee shall not be permitted to make a Deferral Request with respect to any portion of the Performance Share Compensation to be earned in respect of Performance Share Compensation grants awarded during such year. A Deferral Request submitted by a Newly Eligible Employee shall become irrevocable as of midnight on the 30th day following the date on which the Newly Eligible Participant is initially selected by the Committee to be a Participant in the Performance Share Plans.

(ii) The amount of Performance Share Compensation that may be deferred pursuant to the Deferral Request by a Newly Eligible Employee shall not be greater than the amount of the Newly Eligible Employee's Performance Share Compensation that is earned after the date on which the Newly Eligible Employee files his or her Deferral Request. The amount of the Newly Eligible Employee's Performance Share Compensation that may be deferred shall be equal to the total amount of Performance Share Compensation earned in respect of the Performance Share Compensation grant multiplied by a fraction, the numerator of which shall equal the number of days from the time the Newly Eligible Employee files the Deferral Request until the end of the applicable performance period, and the denominator of which shall equal the total number of days from the date of the grant through the end of the performance period.

3.3 An Employee's entitlement to defer Performance Share Compensation under the Plan shall cease with respect to any Performance Share Compensation grants awarded under the Performance Share Plans in any calendar year following the calendar year in which he or she ceases to be an Employee.

IV.

ACCOUNTS

4.1 *Company Stock Accounts.* Subject to the terms and conditions of the Plan, Performance Share Compensation that is deferred in accordance with Article III shall be credited to a bookkeeping account ("Company Stock Account") maintained under the Plan on the Company's books for the Participant. A Participant's Company Stock Account may be divided into two or more subaccounts as the Committee determines necessary or desirable for the administration of the Plan. As of the date a Performance Share Compensation payment would otherwise have been paid to the Participant, the Participant shall be credited with: (i) the number of share units (and fractions thereof) ("Deferred Performance Shares ") equal to the number of Common Shares (and fractional shares calculated to the nearest one-thousandth (.001) of a share) that the amount of the Performance Share Compensation award payable in cash to be deferred in accordance with Article III would purchase based on the average of the opening and closing market prices of Common Shares on the New York Stock Exchange for the calendar day on which the award would otherwise have been paid to the Participant (or, if not listed on such exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such day, on the immediately preceding trading day during which a sale occurred), and (ii) to the extent the Performance Compensation award is payable in Common Shares, Deferred Performance Shares equal to the number of Common Shares to be deferred in accordance with Article III that would otherwise have been issued or transferred and delivered to the Participant. As of each dividend payment date declared with respect to the Common Shares, the Committee or its designee shall:

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(i) determine the amount of the dividends that would have been paid by the Company on the number of Common Shares equal to the number of Deferred Performance Shares credited to the Participant's Company Stock Account on the record date for such dividend ("Dividend Equivalents"); and

(ii) credit the Participant's Company Stock Account with the number of Deferred Performance Shares equal to the number of Common Shares that the Dividend Equivalents attributable to such dividend payment date would have purchased based on the closing price of the Common Shares on the New York Stock Exchange on such dividend payment date (or, if not listed on such exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such day, on the immediately preceding trading day during which a sale occurred).

Notwithstanding the foregoing provisions of this Section 4.1, in no event shall actual Common Shares be earmarked for a Participant's Company Stock Account or set aside for the benefit of the Participant by reason of the crediting of Deferred Performance Shares under this Section 4.1.

4.2 *Nonforfeitable Right.* Each Participant shall have a nonforfeitable right to the balance from time to time of his or her Company Stock Account, and all Deferred Performance Shares properly credited to Company Stock Accounts under this Plan will be 100% vested on the date such Deferred Performance Shares are credited to the Participant's Company Stock Account.

V.

PAYMENT OF ACCOUNTS

5.1 *Time and Form of Payment.* Subject to Section 5.2, Section 5.4 and Section 8.9, distribution of Participant's Company Stock Account shall be made or commence to the Participant or, in the event of his or her death, to his or her beneficiary, in February of the first calendar year following the year in which the Participant incurs a Separation from Service. Distribution to a Participant shall be made in one of the following forms as the Participant shall elect: (a) a single lump sum payment, (b) approximately equal annual installments over three years, (c) approximately equal annual installments over five years, or (d) approximately equal annual installments over ten years. The amount of each installment payment hereunder shall be calculated by dividing the number of Deferred Performance Shares that are credited to the Participant's Company Stock Account at the time of each such payment by the number of remaining installments (including the current installment). Installment payments shall be made in the month of February as specified above and in anniversaries thereof (and, for purposes of Section 409A of the Code, each such installment payment shall be a separate payment and not one of a series of payments treated as a single payment).

The Participant shall make his or her election as to form of distribution in his or her initial Deferral Request made under the Plan pursuant to Article III. Such election shall also apply to all grants of Performance Share Compensation deferred pursuant to future Deferral Requests and may not be changed after such initial Deferral Request has become irrevocable as provided in Article III, except as provided below.

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A Participant shall be entitled to make new written distribution elections in accordance with, and to be applicable to future grants of Performance Share Compensation as provided in, the following schedule:

In the calendar year in which the Participant attains age:	New Election applies to grants of Performance Share Compensation awarded in calendar years in which the Participant attains the following ages and, unless further changed, subsequent years
50	51-55
55	56-60
60	61-65
65	66-70
70	71-75
75	76 and subsequent years

A new distribution election to be made in accordance with the above schedule shall be made by filing such election with the Committee or its designee on such form as it shall prescribe, and any such new election shall remain in effect unless and until changed in accordance with the above schedule.

If the Participant does not elect a form of payment in his or her initial Deferral Request, distribution shall be made to the Participant in a single lump sum payment, except that if a new distribution election is made and is applicable as provided above, the portion of the Participant's Account to which such election applies shall be paid in the form provided in such election.

5.2 Delay for Specified Employees. Notwithstanding anything in the Plan to the contrary, no payment shall be made under Section 5.1 to any Participant who is a Specified Employee as of the date of such Participant's Separation from Service until the earlier of (i) the first day of the seventh month after the date of the Participant's Separation from Service, or (ii) the date of the Participant's death. Any payments that would otherwise have been made under Section 5.1 prior to such date shall instead be aggregated and paid, subject to Section 8.9, to the Participant (or, in the case of the Participant's death, his or her beneficiary) in the form of a single lump sum upon the earlier of the dates specified in the preceding sentence.

5.3 Medium of Payment. The Deferred Performance Shares in a Participant's Company Stock Account shall be distributed in Common Shares on a one-for-one basis. Fractional shares shall be rounded down to the nearest whole Common Share, and such

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fractional amount shall be paid in cash based on the closing price of a Common Share on the New York Stock Exchange on the last trading day prior to payment (or, if not listed on such exchange, on any other national securities exchange on which the Common Shares are listed, or if there are no sales on such day, on the immediately preceding trading day during which a sale occurred).

5.4 Designation of Beneficiary. Each Participant participating in this Plan shall designate a beneficiary or beneficiaries to whom distribution shall be made in the event of the death of the Participant before his or her entire Company Stock Account is distributed and, in such case, the balance of the Participant's Company Stock Account shall be distributed to the beneficiary or beneficiaries in a single lump sum payment as hereinabove provided in this Article V, even if the Participant elected distribution or was being paid in installments; provided, however, if the Participant dies while being paid in installments, such lump sum payment shall be paid in

February of the calendar year following the year in which death occurs. If there is no designated beneficiary, or no designated beneficiary surviving at a Participant's death, the Participant's beneficiary shall be his or her estate. Beneficiary designations shall be made in writing. A Participant may designate a new beneficiary or beneficiaries at any time. A beneficiary designation shall be effective only when the signed form is filed with the Committee or its designee while the Participant is alive and will cancel all beneficiary designation forms signed earlier.

5.5 *Taxes*. In the event any taxes are required by law to be withheld or paid from any distributions made pursuant to the Plan, the Company (or any trustee, if applicable) shall deduct such amounts from such distributions and shall transmit the withheld amounts to the appropriate taxing authority. Notwithstanding any other provision of the Plan, the Company does not guarantee any particular tax result for any Participant with respect to participation in or payments under the Plan, and each Participant shall be responsible for any taxes imposed on the Participant with respect to such participation or payments under the Plan.

VI.

FUNDING; CREDITORS AND INSOLVENCY

6.1 *Funding Mechanism for Deferred Share Units*. The Company shall be entitled, but not obligated, to establish a grantor trust or similar funding mechanism to fund the Company's obligations under this Plan; provided, however, that any funds contained therein shall remain subject to the claims of the Company's general creditors. The funding mechanism shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of ERISA.

6.2 *Claims of the Company's Creditors*. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay benefits in the future. All Deferred Performance Shares (and any corresponding assets held in a trust established for the Plan), and any payment to be made pursuant to the Plan, shall be subject to the claims of the general creditors of the Company, including judgment creditors and bankruptcy creditors. Neither any Participant, nor his or her beneficiaries, nor his or her heirs, successors or assigns, shall have any secured interest in or claim on any property or assets of the Company (or

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of any trust). The rights of a Participant or his or her beneficiaries to his or her Company Stock Account and to the Deferred Performance Shares (and to any assets held in trust) shall be no greater than the rights of an unsecured creditor of the Company.

VII.

ADMINISTRATION

7.1 *Administration*. The Company, through the Committee or its designee, shall be responsible for the general administration of the Plan and for carrying out the provisions hereof. The Committee or its designee shall have all such powers as may be necessary to carry out the provisions of the Plan, including the discretionary power to (i) determine all questions relating to eligibility for participation in the Plan and the amount in the Company Stock Account of any Participant and all questions pertaining to claims for benefits and procedures for claim review, (ii) resolve all other questions arising under the Plan, including any questions of fact, interpretation, or construction, and (iii) take such further action as the Company shall deem advisable in the administration of the Plan. The actions taken and the decisions made by the Committee hereunder shall be final and binding upon all interested parties. It is intended that all Participant elections hereunder shall comply with Section 409A of the Code. The Committee or its designee is authorized to adopt rules or regulations deemed necessary or appropriate in connection therewith to anticipate and/or comply with the requirements thereof (including any transition rules thereunder).

7.2 *Claims Procedure*. If a Participant or Participant's beneficiary ("Claimant") files a claim for benefits under this Plan, the Committee shall notify the Claimant within 45 days of allowance or denial of the claim, unless the Claimant receives written notice from the Committee prior to the end of the 45-day period stating that special circumstances require an extension (of up to 45 additional days) of the time for decision. The notice of the Committee's decision shall be in writing, sent by mail to Claimant's last known address, and if a denial of the claim, shall contain the following information: (a) the specific reasons for the denial; (b) specific reference to pertinent provisions of the Plan on which the denial is based; and (c) if applicable, a description of any additional information or material necessary to perfect the claim, an explanation of why such information or material is necessary, and an explanation of the claims review procedure and the time limits applicable including a statement of the Claimant's rights to bring a civil action under Section 502(a) of ERISA following an adverse determination on review. A Claimant is entitled to request a review of any denial of his/her claim by the Committee. The request for review must be submitted within 60 days of mailing of notice of the denial. Absent a request for review within the 60-day period, the claim shall be deemed to be conclusively denied. The Claimant or his or her representatives shall be provided, upon written request and free of charge, reasonable access to, and copies of, all accounts, records, and other information relevant to the claim for benefits, and entitled to submit issues and comments in writing. The Committee shall render a review decision in writing within 60 days after receipt of a request for a review, provided that, in special circumstances the Committee may extend the time for decision by not more than 60 days upon written notice to the Claimant. The Claimant shall receive written notice of the Committee's review decision, together with specific reasons for the decision and reference to the pertinent provisions of the Plan, a statement that the Claimant, or his or her authorized representative, shall have reasonable access to, and be entitled to receive, upon

request and free of charge, copies of, all documents, records and other information relevant to the claim for benefits, and a statement describing the Claimant's right to bring an action under Section 502(a) of ERISA.

VIII.

MISCELLANEOUS

8.1 *Change in Capitalization.* In the event of a stock dividend, stock split, issuance of additional shares, recapitalization, merger, consolidation, combination or exchange of shares or other similar corporate change affecting the Common Shares ("Corporate Change"), the number of Deferred Performance Shares that have been credited to Participants under the Plan shall be automatically adjusted by the Committee to preserve each Participant's proportionate interest immediately prior to such Corporate Change.

8.2 *Nontransferability, Nonassignability.* The interest of a Participant under the Plan is not subject to the claims of his or her creditors, and may not be voluntarily or involuntarily assigned, transferred, alienated, pledged or encumbered.

8.3 *Plan Not Contract of Employment.* The Plan does not constitute a contract of employment, and participation in the Plan will not give any Participant the right to be retained in the employ of the Company, nor any right or claim to any benefit under the Plan unless such right or claim has specifically accrued under the terms of the Plan. The crediting of Deferred Performance Shares does not constitute the award of stock, and shall not be construed to give a Participant any rights as a shareholder of the Company.

8.4 *Amendment and Termination.* The Board may from time to time amend the Plan in such respects as it deems advisable and may terminate the Plan at any time; provided, however, that no such amendment or termination shall adversely affect any right or obligation with respect to any Deferred Performance Shares theretofore credited to a Participant's Company Stock Account under the Plan without the consent of the Participant or beneficiary, except that the consent requirement of Participants or beneficiaries shall not apply to any amendment or termination that is deemed necessary by the Company to ensure compliance with Section 409A of the Code. Notwithstanding the preceding sentence, the Board, in its sole discretion, may terminate this Plan to the extent and in the circumstances described in Treas. Reg. § 1.409A-3(j)(4)(ix), or any successor provision.

8.5 *Governing Law.* Except to the extent preempted by federal law, this Plan shall be governed by and construed in accordance with the internal substantive laws of the State of Illinois, without regard to its conflict of laws principles.

8.6 *Successors.* The provisions of this Plan shall bind and inure to the benefit of the Company and its successors and assigns. The term "successors" as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise, acquire all or substantially all of the business and assets of the Company and successors of any such corporation or other business entity.

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8.7 *Section 409A of the Code.* It is intended that the Plan (including any amendments thereto) comply with the provisions of Section 409A of the Code so as to prevent the inclusion in gross income of any Deferred Performance Shares accrued hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise be actually distributed or made available to the Participants. The Plan shall be interpreted, construed and administered in a manner that will comply with Section 409A of the Code, including proposed, temporary or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto.

8.8 *Relationship to Other Plans.* This Plan is intended to serve the purposes of and to be consistent with the Performance Share Plans. The issuance or transfer of Common Shares pursuant to this Plan shall be subject in all respects to the terms and conditions of the Performance Share Plans. Without limiting the generality of the foregoing, Common Shares credited to the Company Stock Account of Participants pursuant to this Plan as Performance Share Compensation shall be taken into account for purposes of provisions of the Performance Share Plans relating to shares available under the Performance Share Plans.

8.9 *Timing of Payments.* Notwithstanding any provision of the Plan to the contrary, a distribution to be made as of a specified date or in a specified period in Article V shall be made on the date or in the period specified or as soon as administratively practicable thereafter, but in no event shall any portion of the distribution be made later than the last day of the same calendar year in which such date or period occurs. Until paid, any amount otherwise distributable from a Participant's Company Stock Account shall continue to be adjusted under Article IV to reflect investment returns. In addition, if calculation of the amount of a payment is not administratively practicable due to events beyond the control of the Participant or his or her beneficiary, a payment will be treated as made on the specified date or in the specified period for purposes of the Plan if the payment is made during the first calendar year in which the calculation of the amount of the payment is administratively practicable.

IN WITNESS WHEREOF, the duly authorized officer of the Company has executed this Plan on behalf of the Company and has caused its corporate seal to be affixed this 20th of October, 2008.

STEPAN COMPANYY

By: Greg Servatius

Title: Vice President, Human Resources

ATTEST:

By: Sheila Crockett

Title: Total Rewards Supervisor

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**AMENDED AND RESTATED BY-LAWS
STEPAN COMPANY
A DELAWARE CORPORATION
(Amended as of October 21, 2008).**

ARTICLE I

OFFICES

Section 1. Registered Office in Delaware. The address of the registered office of Stepan Company (the "Corporation") in the State of Delaware and the registered agent of the Corporation at such address shall be as provided in the Amended and Restated Certificate of Incorporation of the Corporation, as it may be amended or restated from time to time (the "Certificate of Incorporation").

Section 2. Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the business of the Corporation may require from time to time.

ARTICLE II

STOCKHOLDERS

Section 1. Annual Meeting. The annual meeting of the stockholders for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date and at such time as the Board of Directors of the Corporation (the "Board") shall determine from time to time. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board shall cause the election to be held at a special meeting of the stockholders as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by law or by the Certificate of Incorporation may be

called by the Chairman of the Board, by the Board, or by the holders of shares of the Corporation's common stock or preferred stock or any other stock of the Corporation as may be designated by the Board (the "Capital Stock") representing not less than one-third of the voting power of all the outstanding shares of the Capital Stock.

Section 3. Place of Meeting. Meetings of the stockholders for the election of directors and for all other purposes shall be held at the Corporation's principal executive offices in Northfield, Illinois or at such other place within or without the State of Illinois, as the Board shall designate.

Section 4. Meetings by Remote Communication. The Board may, in its sole discretion, determine that any meeting of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication, subject to such guidelines and procedures as the Board may adopt from time to time.

Section 5. Advance Notification of Proposals at Stockholders' Meetings. If a stockholder desires to submit a proposal for consideration at the annual or special stockholders' meeting, or to nominate persons for election as directors at any stockholders' meeting duly called for the election of directors, written notice of such stockholder's intent to make such a proposal or nomination must be given and received by the Secretary at the principal executive offices of the Corporation either by personal delivery or by United States mail not later than (a) with respect to an annual meeting of stockholders, 90 days prior to the anniversary date of the immediately preceding annual meeting, and (b) with respect to a special meeting of stockholders, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each notice shall describe the proposal or nomination in sufficient detail for the proposal or nomination to be summarized on the agenda for the meeting and shall set forth (x) the name and address, as it appears on the books of the Corporation, of the stockholder making the proposal or nomination; (y) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such proposal or nomination; and (z) the class and number of shares of Capital Stock that are beneficially owned by the stockholder. In addition, in the case of a stockholder proposal, the notice shall set forth the reasons for conducting such proposed business at the meeting and any material interest of the stockholder in such business. In

the case of a director nomination, the notice shall set forth: (A) the name and address of the person to be nominated; (B) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (C) such other information regarding such proposed director nominee that would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (D) the consent of each director nominee to serve if elected. The

presiding officer of the annual or special meeting shall, if the facts warrant, refuse to acknowledge a proposal or nomination not made in compliance with the foregoing procedure, and any proposal or nomination not properly brought before the meeting shall not be transacted. Nothing contained in this Section 5 shall be deemed to decrease any time period set forth in the Securities Exchange Act of 1934, as amended, or any rule or regulation of the Securities and Exchange Commission promulgated thereunder.

Section 6. Notice of Stockholders' Meetings. Written or printed notice stating the place, day and hour of each meeting of the stockholders, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than 60 days before the date of the meeting, or, in case of a merger or consolidation, not less than 20 nor more than 60 days before the date of the meeting, either personally or by mail or by a form of electronic transmission consented to by the stockholders, by or at the direction of the Chairman of the Board, the President, the Secretary, or the persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail and addressed to the stockholder at his address as it appears on the records of the Corporation, with postage thereon prepaid.

Section 7. Closing of Transfer Books and Fixing Record Date. The Board shall have power to close the stock transfer books of the Corporation for a period which shall not be more than 60 nor less than ten days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of Capital Stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, or a date for the purpose of any other lawful action. In lieu of closing the stock transfer books as

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aforesaid, the Board may fix in advance a date, which shall not be more than 60 nor less than ten days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of Capital Stock shall go into effect, or a date in connection with obtaining the consent of stockholders for any purpose, or a date for the purpose of any other lawful action, as a record date for the determination of stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of Capital Stock, or to give such consent, or to take such lawful action, and in such case such stockholders, and only such stockholders, as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, or to take such lawful action, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

Section 8. Voting Lists. The officer or agent having charge of the stock ledgers of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting of stockholders, arranged by class and series of Capital Stock in alphabetical order within each series or class, and showing the address of each stockholder and the number of shares of such series or class of Capital Stock registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting during ordinary business hours for a period of at least ten days prior to the meeting of stockholders, either at a place within the city, town or village where the meeting of stockholders is to be held, and which place shall be specified in the notice of the meeting, or, if not so specified, at the place where said meeting is to be held, and the list shall also be produced and kept at the time and place of the meeting of stockholders during the whole time thereof, and may be inspected by any stockholder who is present thereat. The original or duplicate share ledger or transfer book shall be the only evidence as to who are the stockholders entitled to examine such list or share ledgers or transfer books or to vote at the meeting of stockholders.

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Section 9. Quorum and Voting. Holders of shares

representing a majority of the voting power of the outstanding shares of Capital Stock entitled to vote at a meeting of the stockholders represented in person or by proxy, shall constitute a quorum at such meeting of stockholders, except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws. If a quorum is present, (a) in all matters other than the election of directors, the affirmative vote of holders of shares having a majority of the voting power of the shares of Capital Stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the vote of a greater number is required by law or by the Certificate of Incorporation, and (b) directors shall be elected by a plurality of the voting power of the shares of Capital Stock present in person or represented by proxy at the meeting and entitled to vote on the election of directors. If shares representing less than a majority of the voting power of the outstanding shares of Capital Stock are represented at a meeting of stockholders, shares with a majority of the voting power of the shares so represented may adjourn the meeting from time to time without further notice.

Section 10. Voting of Shares. At each meeting of the stockholders, each holder of Capital Stock, which shall, at the time, possess voting powers, shall be entitled to vote, in person or by proxy, and shall have the number of votes provided by the Certificate of Incorporation, any applicable Certificate of Designation for the Corporation's preferred stock or as otherwise required by law for each such share of Capital Stock registered in his name on the date the stock transfer books were closed preceding such meeting for the purpose of determining stockholders entitled to vote at said meeting, or on the record date fixed for the purpose of determining stockholders entitled to vote at such meeting or, in the event that the stock

transfer books shall not be so closed or a record date so fixed, on the date next preceding the date notice of such meeting was given; *provided, however,* that, except where the stock transfer books shall have been so closed, or a record date shall have been so fixed, no share of stock shall be voted on at any election of directors, which shall have been transferred on the books of the Corporation within 20 days next preceding such election of directors, and no proxy shall be voted or acted upon after three years from its date unless such proxy provides for a longer period. The vote for directors and, upon the demand of any stockholder entitled to vote, the vote upon any question before any stockholders' meeting, shall be by ballot.

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Section 11. Voting of Shares of Certain Holders. (a) Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy.

(c) A stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Section 12. Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such proxy shall be filed with the Secretary before such meeting of stockholders at such time as the Board may require.

ARTICLE III

DIRECTORS

Section 1. General Powers. The property, business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation or by these By-laws and do all such lawful acts and things that are not by law or by the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

Section 2. Number and Tenure. The Board shall consist of no more than eight (8) members, but the number of directors may, from time to time, be altered by amendment of these Bylaws. The directors shall serve staggered three-year terms. The directors shall be classified in respect to the time for which they shall severally hold office, into three classes, each class to consist of one-third (1/3) in number of the directors as near as may be. At each annual election, the successors to the class

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of directors whose term expires in that year shall be elected for the term of three years. The directors shall be elected by the stockholders at the stockholders' annual meeting, except as provided in Section 4 of this Article III, and each director elected shall hold office until his successor is duly elected and qualified.

Section 3. Place of Meetings; Records. The directors may hold their meetings and have one or more offices and keep the books of the Corporation (except the original or duplicate stock ledger) outside the State of Delaware at such place or places as they may from time to time determine. The directors may determine that their meetings shall not be held at any place, but may instead be held solely by means of remote communication, subject to such guidelines and procedures as the Board may adopt from time to time.

Section 4. Vacancies. Except as otherwise provided by law, a vacancy in the office of any director, because of death, resignation, or otherwise, and newly created directorships resulting from any increase in the authorized number of directors, may be filled by the vote of a majority of the remaining directors, though less than a quorum, and the directors so chosen shall hold office until the next annual meeting of the stockholders and until their successors are duly elected and qualified.

Section 5. Regular Meetings. Regular meetings of the Board may be held without notice immediately after the annual meeting of the stockholders and at such other time and place as shall from time to time be determined by the Board. The Board shall hold at least four regular meetings in each year.

Section 6. Special Meetings. Special meetings of the Board may be called by or at the request of the Chairman of the Board, the President or any two directors. The person or persons authorized to call special meetings of the Board may fix the time and place, either within or without the State of Delaware, for holding such special meeting of the Board.

Section 7. Notice. Notice of any regular or special meeting of the Board shall be given at least three days prior thereto. Such notice shall be in writing and shall be given personally or mailed or faxed or sent by electronic transmission (if previously agreed to by the director) to each director at the director's business address or at such other address as the director shall specify to the Secretary. If mailed, such notice shall be deemed to be given when deposited in the United States

mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by facsimile or electronic transmission, such notice shall be deemed to be given when transmitted. Any director may waive notice of any meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 8. Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, *provided that*, if less than a quorum of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 9. Manner of Acting. Except where otherwise provided in these By-laws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 10. Compensation. Directors employed by the Corporation shall not receive compensation for their services as directors or as members of any committee of the Board on which they serve. Directors not employed by the Corporation shall be paid reasonable compensation for services as directors and as members of any committee of the Board on which such directors serve, which compensation shall be fixed by resolution of the Board. Directors shall be reimbursed for reasonable expenses incurred in attending meetings of the Board and meetings of committees appointed by the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

COMMITTEES

Section 1. Audit Committee. (a) The Board at any regular or special meeting shall, by resolution adopted by a majority of the Board, designate three or more independent directors to constitute an Audit Committee and appoint one of the directors so designated as the chairman of the Audit

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Committee. Membership on the Audit Committee shall be restricted to those directors who are independent of the management of the Corporation as set forth in Section 301 of the Sarbanes-Oxley Act of 2002 and the rules and applicable exchange's listing requirements promulgated thereunder and are free from any relationship that, in the opinion of the Board, would interfere with the exercise of the independent judgment as a member of the Audit Committee. Vacancies on the Audit Committee may be filled by the Board. Each member of the Audit Committee shall hold office until such member's successor is duly elected, or until such member's death, resignation or removal from the Audit Committee by the Board, or such member ceases to be an independent director. Any member of the Audit Committee may be removed from the Audit Committee by resolution adopted by a majority of the Board whenever in its judgment (1) such Audit Committee member is no longer an independent director or free from any relationship with the Corporation or any of its officers prohibited by this Section 1 or (2) the best interests of the Corporation would be served thereby. The compensation, if any, of members of the Audit Committee shall be established by resolution of the Board in accordance with Section 10 of Article III.

(b) The duties of the Audit Committee shall be as set forth in the Audit Committee Charter.

(c) Minutes of all meetings of the Audit Committee shall be submitted to the Board. The minute book of the Audit Committee shall at all times be open to the inspection of any director.

(d) The Audit Committee shall meet regularly, at least four times per year, at the call of its chairman or any two members of the Audit Committee. The Audit Committee shall meet on such other occasions as required by the Audit Committee Charter. A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business and the act of a majority of those present shall constitute the act of the Audit Committee.

Section 2. Compensation and Development Committee. (a)

The Board at any regular or special meeting shall, by resolution adopted by a majority of the Board, designate three or more

independent	directors to constitute	a	Compensation	and
Development		Committee and appoint one of the directors so		
designated	as the chairman of the	Compensation and Development		
Committee.	Membership on the	Compensation and Development		

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Committee shall be restricted to those directors who are independent of the management of the Corporation as set forth in Section 301 of the Sarbanes-Oxley Act of 2002 and the rules and applicable exchange's listing requirements promulgated thereunder and are free from any relationship that, in the opinion of the Board, would interfere with the exercise of the independent judgment as a member of the Compensation and Development Committee. Vacancies on the Compensation and Development Committee may be filled by the Board. Each member of the Compensation and Development Committee shall hold office until such member's successor is duly elected, or until such member's death, resignation, or removal from the Compensation and Development Committee by the Board, or such member ceases to be an independent director. Any member of the Compensation and Development Committee may be removed from the Compensation and Development Committee by resolution adopted by a majority of the Board whenever in its judgment (1) such Compensation and Development Committee member is no longer an independent director or free from any relationship with the Corporation or any of its officers prohibited by this Section 2 or (2) the best interests of the Corporation would be served thereby. The compensation, if any, of members of the Compensation and Development Committee shall be established by resolution of the Board in accordance with Section 10 of Article III.

(b) The duties of the Compensation and Development

Committee shall be as set forth in the Compensation and Development Committee Charter.

(c) The Compensation and Development Committee shall meet, at least two times per year, at the call of its chairman or any two members of the Compensation and Development Committee. A majority of the members of the Compensation and Development Committee shall constitute a quorum and an act of the majority of those present shall constitute the act of the Compensation and Development Committee.

Section 3.	Nominating	and	Corporate	Governance
<u>Committee.</u>	(a) The Board	at	any	regular or special meeting

may, by resolution adopted by a majority of the Board, designate three or more independent directors to constitute a Nominating and Corporate Governance Committee and appoint one of the directors so designated as the chairman of the Nominating and Corporate Governance Committee. Membership on the Nominating and Corporate Governance Committee shall be restricted to those directors who are independent of the management of the Corporation as set forth in Section 301 of the Sarbanes-Oxley Act of 2002 and the rules and applicable exchange's listing

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requirements promulgated thereunder and are free from any relationship that, in the opinion of the Board, would interfere with the exercise of the independent judgment as a member of the Nominating and Corporate Governance Committee. Vacancies on the Nominating and Corporate Governance Committee may be filled by the Board. Each member of the Nominating and Corporate Governance Committee shall hold office until such member's successor is duly elected, or until such member's death, resignation, or removal from the Nominating and Corporate Governance Committee by the Board, or until such member ceases to be a director. Any member of the Nominating Committee may be removed by resolution of the Board whenever in its judgment (1) such Nominating and Corporate Governance Committee member is no longer an independent director or free from any relationship with the Corporation or any of its officers prohibited by this Section 3 or (2) the best interests of the Corporation would be served thereby. The compensation, if any, of members of the

Nominating	and Corporate	Governance	Committee	shall	be
established	by resolution	of the Board	in accordance	with	
Section 10	of Article III.				

(b) The duties of the Nominating and Corporate Governance Committee shall be as set forth in the Nominating and Corporate Governance Committee Charter.

(c) The Nominating and Corporate Governance Committee shall meet, at least two times per year, at the call of its chairman or any two members of the Nominating and Corporate Governance Committee. A majority of the members of the Nominating and Corporate Governance Committee shall constitute a quorum and an act of the majority of those present shall constitute the act of the Nominating and Corporate Governance Committee.

(d) Nothing in these By-laws is intended to prevent any individual director from making a recommendation of a person to be a director of the Corporation either to the Nominating and Corporate Governance Committee or to the Board.

Section 4. Additional Committees. The Board may, by resolution adopted by a majority of the Board, from time to time create and appoint such committees in addition to the Audit, Compensation and Development, and Nominating and Corporate Governance Committees as it deems desirable. Each additional committee shall bear such designation, shall have such powers, and shall perform such duties, not inconsistent with these Bylaws, the law or the Certificate of Incorporation, as may be assigned to it by the Board; provided that no such additional

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committee may exercise the powers of the Board in the management of the business and affairs of the Corporation except such as shall be expressly delegated to it. The Board shall have the power to change the members of any such additional committee at any time, to fill vacancies, and to discharge any such additional committee at any time. The compensation, if any, of members of any such additional committee shall be established by resolution of the Board in accordance with Section 10 of Article III. A majority of the members of any such committee shall constitute a quorum for the transaction of business and the act of a majority of those present shall constitute the act of such additional committee.

ARTICLE V

OFFICERS

Section 1. Generally. The officers of the Corporation shall be elected by the Board and shall consist of a Chairman of the Board, Chief Executive Officer, President and a Secretary. The Board may also choose any or all of the following: one or more Vice Presidents (who may be given particular designations with respect to authority, function, or seniority), one or more Assistant Treasurers, one or more Assistant Secretaries, a Controller and such other officers as the Board may from time to time determine. Notwithstanding the foregoing, by specific action the Board may authorize the Chief Executive Officer to appoint any person to any office other than Chairman of the Board, Chief Executive Officer or Secretary. Any number of offices may be held by the same person. Any of the offices may be left vacant from time to time as the Board may determine. In the case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board may delegate the absent or disabled officer's powers or duties to any other officer or to any director.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board at the first meeting of the Board held after each annual meeting of stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified

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or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed, either with or without cause, at any time by the Board, the Chairman of the Board, the Chief Executive Officer or the President, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Resignations. Any officer may resign at any time by giving written notice to the Board, the Chairman of the Board, the Chief Executive Officer or the President. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board, the Chairman of the Board, the Chief Executive Officer or the President for the unexpired portion of the term, and new offices may be created and filled by the Board, the Chairman of the Board, the Chief Executive Officer or the President.

Section 6.	<u>Chairman of the Board</u> .	The Chairman of	the
Board shall preside at all meetings of the		stockholders and	of
the Board and he	shall have such	other	duties and
responsibilities	as may be assigned to him	by the Board.	The

Chairman of the Board may delegate to any qualified person authority to chair any meeting of the stockholders, either on a temporary or a permanent basis. In case of the inability or failure of the Chairman of the Board to perform the duties of that office, the Chief Executive Officer shall perform the duties of the Chairman of the Board, unless otherwise determined by the Board.

Section 7.	<u>President</u> .	The President	shall	be
responsible	for		the active management and direction of	the
business and	affairs of the Corporation.			

Section 8.	<u>Execution of Documents and</u>	<u>Action</u>	<u>with</u>
<u>Respect to</u>	<u>Securities of Other Corporations.</u>	Each of	the
Chairman of	the	Board, the Chief Executive Officer and	the
President shall		have and is hereby given, full power	and

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authority, except as otherwise required by law or directed by the Board, (a) to execute, on behalf of the Corporation, all duly authorized contracts, agreements, deeds, conveyances or other obligations of the Corporation, applications, consents, proxies and other powers of attorney, and other documents and instruments, and (b) to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders (or with respect to any action of such stockholders) of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities of such other corporation. In addition, each of the Chairman of the Board, the Chief Executive Officer and the President may delegate to other officers, employees and agents of the Corporation the power and authority to take any action which the Chairman of the Board, the Chief Executive Officer or the President is authorized to take under this Section 8, with such limitations as the Chairman of the Board, the Chief Executive Officer or the President, as the case may be, may specify; such authority so delegated by the Chairman of the Board, the Chief Executive Officer or the President shall not be re-delegated by the person to whom such execution authority has been delegated.

Section 9. Vice President. Each Vice President, however titled, shall perform such duties and services and shall have such authority and responsibilities as shall be assigned to or required from time to time by the Board, the Chairman of the Board, the Chief Executive Officer or the President. The Vice Presidents may be given additional title designations descriptive of their general duties.

Section 10. Secretary and Assistant Secretaries. (a) The Secretary shall attend all meetings of the stockholders and all meetings of the Board and record all proceedings of the meetings of the stockholders and of the Board and shall perform like duties for the standing committees when requested by the Board. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board. The Secretary shall perform such duties as may be prescribed by the Board. The Secretary shall have charge of the corporate seal and authority to affix the seal to any instrument. The Secretary or any Assistant Secretary may attest to the corporate seal by handwritten or facsimile signature. The Secretary shall keep and account for all books, documents, papers and records of the Corporation except those for which some other officer or

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agent has been designated or is otherwise properly accountable. The Secretary shall have authority to sign the Corporation's stock certificates.

(b) Assistant Secretaries, in the order of their seniority, shall assist the Secretary and, if the Secretary is unavailable or fails to act, perform the duties and exercise the authorities of the Secretary.

Section 11. Treasurer and Assistant Treasurers. (a) The Treasurer, or such Vice President who is designated by the Board to perform the duties of the Treasurer, shall have the custody of the funds and securities belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Treasurer with the prior approval of the Board, the Chairman of the Board, the Chief Executive Officer or the President. The Treasurer shall disburse the funds and pledge the credit of the Corporation as may be directed by the Board and shall render to the Board, as and when required by it, an account of all transactions by the Treasurer.

(b) Assistant Treasurers, in the order of their seniority, shall assist the Treasurer and, if the Treasurer is unable or fails to act, perform the duties and exercise the powers of the Treasurer.

Section 12. The Controller. The Controller, or such Vice President who is designated by the Board to perform the duties of the Controller, shall maintain adequate records of all assets, liabilities and other financial transactions of the Corporation and, in general, shall perform all duties incident to the office of Controller and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board, the President, or the Vice President, Finance.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. However, each of the Chairman

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of the Board, the Chief Executive Officer and the President is specifically empowered to execute the following documents or instruments in the ordinary course of business by and on behalf of the Corporation:

(a) Powers of attorney appointing persons, firms or corporations as attorney-in-fact of the Corporation, which powers of attorney may be necessary or appropriate in connection with the import or export of goods by or for the Corporation.

(b) Deeds or any other instruments or conveyance conveying real property or interests therein to or from the Corporation if such real property or interests therein have a value or purchase price not in excess of \$1,000,000.

(c) Leases pursuant to which the Corporation leases, as lessor or lessee, property (real, personal or mixed) if such leases call for the payment by or to the Corporation of rental in the amount of not more than \$1,000,000 per year.

(d) Any and all other written agreements, documents or instruments deemed necessary or appropriate to the conduct of the business of the Corporation in the ordinary course, and within the ordinary or customary duties of the Chairman of the Board, the Chief Executive Officer, the President or the Vice President executing the same.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. However, each of the Chairman of the Board, the President, the Vice President-Finance and the Treasurer, is authorized to borrow funds in the ordinary course of business and to execute the necessary related documents or instruments by and on behalf of the Corporation:

(a) up to the maximum amount provided in any agreement previously approved by the Board; or

(b) up to a maximum of \$1,000,000 on an open account, under a line of credit or under an agreement not previously authorized by the Board.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be

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signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

ARTICLE VII

SHARES OF CAPITAL STOCK AND THEIR TRANSFER

Section 1. Shares. Except as otherwise provided in a resolution approved by the Board or as may be required by applicable law, all shares of the Corporation's Capital Stock shall be uncertificated shares beginning on January 1, 2008. Notwithstanding the foregoing, shares represented by a certificate issued and outstanding prior to January 1, 2008, shall remain represented by a certificate until such certificate is surrendered to the Corporation by the holder of record.

Shares shall be transferable only on the books of the Corporation by the holder of record thereof in person or such person's successor or assignee, or by such person's attorney lawfully constituted in writing, in accordance with the customary procedures for transferring shares.

In the case of shares of the Corporation's Capital Stock represented by certificates, such certificates representing shares of Capital Stock shall be in such form as may be determined from time to time by the Board, subject to applicable

legal requirements. Such certificates shall be numbered and their issuance recorded in the books of the Corporation, and such certificate shall exhibit the holder's name and the number of shares and shall be signed by, or in the name of the Corporation by, the Chairman of the Board, the Chief Executive Officer or the President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Corporation and shall bear the corporate seal. Any or all of the signatures and the seal of the Corporation, if any, upon such certificates may be facsimiles, engraved or printed. All certificates for shares of Capital Stock of the same class and series shall be consecutively numbered. The name of the person owning

the shares of Capital Stock represented thereby with the number of shares and date of issue shall be entered on the books of the Corporation. All certificates surrendered to the

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Corporation for transfer shall be cancelled and no new certificate or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost, destroyed or mutilated certificate, a new certificate or uncertificated shares may be issued therefore upon such terms and indemnity to the Corporation as the Board may prescribe. In the case of shares of the Corporation's Capital Stock issued in uncertificated form, within a reasonable time after the issuance or transfer of uncertificated shares of Capital Stock, the Corporation shall send to the holder of record of such uncertificated shares a written notice containing the information required to be set forth or stated on certificates representing shares pursuant to applicable law or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and other special rights of each class of Capital Stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 2. Transfer. Transfers of shares of Capital Stock of the Corporation shall be made on the books of the Corporation (a) in the case of certificated shares, only by the person named in the certificates evidencing such shares of Capital Stock or such person's successor or assignee, or by such person's attorney lawfully constituted in writing, and upon surrender of such certificates and delivery to the Corporation of proper evidence of succession, assignment or other authority, to transfer, or (b) in the case of uncertificated shares, only by the holder of record of uncertificated shares or such person's successor or assignee, or by such person's attorney lawfully constituted in writing or upon receipt of proper transfer instructions from the holder of record of such uncertificated shares and delivery to the Corporation of proper evidence of succession, assignment or other authority, to transfer.

Section 3. Holder of Record. The Corporation shall be entitled to treat the holder of record of any share or shares of Capital Stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not the Corporation shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

Section 4. Transfer Agent and Registrars. The Board may from time to time appoint a transfer agent and registrar in

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one or more cities, may require all certificates evidencing shares of Capital Stock of the Corporation, if any, or written notices or statements related to uncertificated shares of Capital Stock of the Corporation to bear the signatures of a transfer agent or registrar, and may provide that such certificates, if any, or uncertificated shares shall be transferable in more than one city.

Section 5. Lost, Stolen or Destroyed Certificates. The Board may authorize the transfer agent and registrars of the Corporation to issue and register, respectively, uncertificated shares, or, upon request, new certificates in place of any certificates alleged to have been lost, stolen or destroyed, and in its discretion and as a condition precedent to the issuance thereof, may prescribe such terms and conditions as it deems expedient, and may require such indemnities as it deems necessary to protect the Corporation and said transfer agent and registrars.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation will end on December 31 of each year or such other date as may be fixed from time to time by the Board.

ARTICLE IX

DIVIDENDS

Dividends on the Capital Stock may be declared by the Board at any meeting, regular or special, pursuant to law and to the provisions of the Certificate of Incorporation.

ARTICLE X

INDEMNIFICATION

Section 1. General. The Corporation (i) shall

indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the

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Corporation) by reason of the fact that he or she is or was a director or an officer of the Corporation, or is or was serving at the request of the Corporation as a director or an officer of another corporation, partnership, joint venture, trust or other enterprise, to the full extent authorized or permitted by law, as now or hereafter in effect, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, and (ii) may indemnify, if the Board determines such indemnification is appropriate, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the full extent authorized or permitted by law, as now or hereafter in effect, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

<p>Section 2. <u>Derivative Actions</u>. The shall indemnify any person who was or is threatened to be made a party to any threatened, pending completed action or suit by or in the right of to procure a judgment in its favor by reason of</p>	<p>Corporation a party or the Corporation the fact that</p>	<p>(i) is or the Corporation he</p>
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or she is or was a director or an officer of the Corporation, or is or was serving at the request of the Corporation as a director or an officer of another corporation, partnership, joint venture, trust or other enterprise, to the full extent authorized or permitted by law, as now or hereafter in effect, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and (ii) may indemnify, if the Board determines such indemnification is appropriate, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was an employee or an agent of the Corporation, or is or was serving at the request of the Corporation as an employee or an agent of another corporation, partnership, joint venture, trust or other enterprise, to the full extent authorized or permitted by law, as now or hereafter in effect, against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Successful Defense. To the extent that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article X, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

<p>Section 4.</p>	<p><u>Proceedings</u> <u>Initiated</u> <u>by</u> <u>any</u> <u>Person.</u></p>	
<p>Notwithstanding and 2 of this</p>	<p>anything to the contrary contained Article X, except for proceedings to</p>	<p>in Sections 1 enforce</p>

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rights to indemnification, the Corporation shall not be obligated to indemnify any person in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized in advance, or

consented to, by the Board.

Section 5. Procedure. Any indemnification under Sections 1 and 2 of this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article X. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (a) by a majority vote of the directors who are not parties to such action, suit or proceeding even though less than a quorum, or (b) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (d) by the stockholders.

Section 6. Advancement of Expenses. Expenses

(including attorneys' fees) incurred by a current or former officer or a current or former director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such current or former director or current or former officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation pursuant to this Article X or as otherwise authorized by law. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Rights Not Exclusive. The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

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Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law of the State of Delaware (the "DGCL").

Section 9. Definition of "Corporation". For purposes of this Article X, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a

constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

Section 10. Certain Other Definitions. For purposes of this Article X, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves service by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation", as referred to in this Article X.

Section 11. Continuation of Rights. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall, unless otherwise provided when authorized

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or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section	12.	<u>Repeal or</u>	<u>Modification.</u>	Any repeal	or
modification	of	this Article	X by the stockholders of		the

Corporation shall not adversely affect any rights to indemnification and to advancement of expenses that any person may have at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

Section 13. Amendments to DGCL. If the DGCL is amended hereafter to broaden the rights of those seeking indemnification or advancement of expenses, then such rights shall be extended to such persons to the fullest extent authorized by the DGCL, as so amended, without further action by either the Board or the stockholders of the Corporation.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice whatever is required to be given by law or under the provisions of these By-laws or under the provisions of the Certificate of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute a waiver of notice of such meeting, except where the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XII

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced otherwise.

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ARTICLE XIII

SEVERABILITY OF PROVISIONS

If any provision of these By-laws, or the application thereof to any person or circumstances, is held invalid, the remainder of these By-laws, and the application of such provision to other persons or circumstances, shall not be affected thereby.

ARTICLE XIV

AMENDMENTS

These By-laws may be altered, amended or repealed and new by-laws may be adopted by the Board.

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