

**STEPAN COMPANY BOARD OF DIRECTORS
COMPENSATION AND DEVELOPMENT COMMITTEE CHARTER
Amended July 24, 2018**

I. PURPOSE

The Compensation and Development Committee (the “Committee”) of the Board of Directors (the “Board”) of Stepan Company (the “Company”) shall (a) establish and administer the Company’s policies, programs and procedures for compensating its executive management; and (b) provide advice and counsel to the Company regarding executive development and succession planning.

II. COMPOSITION

Size. The Committee shall consist of no fewer than three members.

Qualifications. Each Committee member must satisfy the applicable independence requirements set forth in the rules of the New York Stock Exchange. Desirable qualifications for Committee members include experience in business management, executive compensation, employee benefits, and human resources.

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

III. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall include the following:

1. Oversee Executive Compensation Policies and Programs. The Committee will oversee the development and implementation of the Company’s compensation policies and programs for executive officers.
2. Oversee Executive Officer Compensation. The Committee will review and approve the corporate goals and objectives with respect to the compensation of the Chief Executive Officer. The Committee will evaluate the Chief Executive Officer’s performance in light of these goals and objectives and, based upon this evaluation (either alone or, if directed by the Board, in conjunction with a majority of the independent directors on the Board), will set the Chief Executive Officer’s compensation. If the position of Chief Executive Officer and Chairman are held by different persons and the Chairman is not a non-employee director, the Committee shall review and determine the compensation, if any, of the Chairman on an annual basis. The Chief Executive Officer and the Vice President – Human Resources shall make recommendations to the Committee regarding compensation for all other executive officers. All recommendations made to the Committee shall be based upon the Company’s policies and

guidelines. The Committee will review these recommendations and approve the final compensation for these individuals.

3. *Recommend Incentive Compensation Plans.* The Committee will make recommendations to the Board with respect to the approval, adoption and amendment of all cash-based and equity-based incentive compensation plans in which any executive officer of the Company participates.
4. *Recommend Equity-Based Plans.* The Committee will also make recommendations to the Board with respect to the approval, adoption and amendment of all other equity-based plans.
5. *Administer Compensation Plans.* The Committee will administer the Company's equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee. The Committee, or a subcommittee, shall approve all grants of equity-based awards, subject to the terms and conditions of applicable plans. The Committee's administrative authority shall include the authority to approve the acquisition by the Company of shares of the Company's stock from any plan participant.
6. *Oversee Regulatory Compliance.* The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including, but not limited to, overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code, to the extent it remains applicable. The Committee will also oversee compliance with other applicable requirements, including, but not limited to, the applicable rules and policies of the Securities and Exchange Commission and the New York Stock Exchange. Additionally, the Committee will assess the risks, if any, created by the Company's compensation policies and practices, and whether any such risks are reasonably likely to have a materially adverse impact on the Company.
7. *Review and Approve Employment Agreements and Severance Arrangements.* The Committee will review and approve, any proposed employment agreement with, and any proposed severance or retention plans or agreements applicable to, any executive officer of the Company. The Committee shall review and approve, any severance or other termination payments proposed to be made to any executive officer of the Company.
8. *Board Reports.* The Committee shall make regular reports to the Board regarding the activities of the Committee.

9. Review Executive Development. The Committee will review the Company's long-range planning for executive development and succession planning and provide advice and counsel to the Company.
10. Establish and Review Stock Ownership Guidelines. The Committee shall establish stock ownership guidelines for the Board, executive officers and executives and monitor compliance therewith.
11. Oversee Board Compensation. The Committee shall periodically review and recommend to the Board appropriate compensation for non-employee Board members, including the Lead Independent Director or, if the Chairman is a non-employee director, the Chairman. The Committee may, at its discretion, obtain input and recommendations from an independent executive compensation consultant regarding non-employee Board compensation.
12. Other Duties or Responsibilities. In addition to the duties and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company's bylaws and applicable NYSE rules.

IV. MEETINGS

The Committee will meet a minimum of three times per year to carry out its responsibilities under this charter. The Committee Chair will, in consultation with the other members of the Committee and appropriate executive officers or employees of the Company, establish the agenda for each Committee meeting. Any Committee member may submit items to be included on the agenda. Committee members may also raise issues that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law, the Company's certificate of incorporation or its by-laws. The Committee Chair will supervise the conduct of the meetings and will have other responsibilities as the Committee may specify from time to time.

The Committee may request any executive officer or other employee of the Company, any representative of the Company's legal counsel or other advisors or any representative of the Committee's consultants, legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting should not attend such meeting, or the portion of such meeting discussing that individual's compensation, unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the

Committee to act on any matter in which such member's participation is not appropriate, and such member's absence shall not destroy the quorum for the meeting.

V. DELEGATION

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee or, to the extent permitted by applicable law, to any other body or individual. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are (a) "non-employee directors" within the meaning under Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and (b) to the extent necessary to ensure that, to the greatest extent possible, amounts paid remain deductible for purposes of Section 162(m) of the Internal Revenue Code, "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code.

VI. RESOURCES AND AUTHORITY

The Committee shall have appropriate resources and authority to discharge its responsibilities, including without limitation, appropriate funding, in such amounts as the Committee deems necessary, to compensate any consultants or any other advisors retained by the Committee. The Committee may, in its sole discretion, retain or obtain advice from, and terminate consultants, legal counsel or other advisors (independent or otherwise), provided that, preceding any such retention or advice, the Committee must take into consideration all factors, including any applicable factors under NYSE rules, relevant to the advisor's independence from management. The Committee will be directly responsible for the appointment, compensation and oversight of any advisor it retains.

VII. COMPENSATION AND DEVELOPMENT COMMITTEE REPORT

The Committee will review and discuss the Company's Compensation Discussion and Analysis ("CD&A") with the management of the Company and will determine whether or not to recommend to the Board that the CD&A be included in the proxy statement and the Company's Annual Report on Form 10-K. In addition, the Committee will prepare a Committee report for inclusion in the Company's proxy statement.

VIII. CHARTER REVIEW AND PERFORMANCE EVALUATION

The Committee will (a) periodically review this charter with the Board and recommend any changes to the Board and (b) annually evaluate its own performance against the requirements of this charter and report the results of this evaluation to the Board. The Committee will conduct its review and evaluation in such manner and at such times as it deems appropriate.