

Mergner Arthur W
 Form 4
 February 22, 2019

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Mergner Arthur W

2. Issuer Name and Ticker or Trading Symbol
 STEPAN CO [SCL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 22 W. FRONTAGE ROAD

3. Date of Earliest Transaction (Month/Day/Year)
 02/20/2019

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP, Supply Chain

(Street)
 NORTHFIELD, IL 60093

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	02/20/2019		M	6,744 A \$ 15,153.661		D	
Common Stock	02/20/2019		A	81.636 A \$ 92.29 6,429.332		I	By Esop II Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title a Underly (Instr. 3)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Stock Option (Right to Buy)	\$ 92.29	02/20/2019		A	3,375	12/31/2019 ⁽²⁾ 02/19/2029	Comm Stock
Stock Appreciation Right	\$ 92.29	02/20/2019		A	10,124	12/31/2019 ⁽²⁾ 02/19/2029	Comm Stock
Performance Shares	⁽³⁾	02/20/2019		A	2,601	⁽³⁾ ⁽³⁾	Comm Stock
Performance Shares	⁽⁴⁾	02/20/2019		M	3,649	⁽⁴⁾ ⁽⁴⁾	Comm Stock
Share Units	⁽⁵⁾	02/20/2019		A	2,263.195	⁽⁶⁾ ⁽⁶⁾	Comm Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mergner Arthur W 22 W. FRONTAGE ROAD NORTHFIELD, IL 60093			VP, Supply Chain	

Signatures

/s/ Stephanie J. Pacitti, attorney-in-fact for Arthur W. Mergner
 **Signature of Reporting Person
 Date 02/22/2019

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The performance shares vested upon Stepan Company achieving certain financial targets by December 31, 2018.
- (2) Vests ratably over three years beginning on the date shown.
- (3) Each performance share represents a contingent right to receive 1 share of Stepan Company Stock. The performance shares vest upon Stepan Company achieving certain financial targets by December 31, 2021.
- (4) Each performance share represents a contingent right to receive 1 share of Stepan Company Common Stock. The performance shares vest upon Stepan Company achieving certain financial targets by December 31, 2018.

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- (5) Share Units convert on a one-for-one basis into Common Stock.

Share Units are acquired under the Management Incentive Plan (As Amended and Restated Effective January 1, 2015) ("MIP"), a

- (6) nonqualified deferred compensation plan which allows MIP participants to elect to defer all or a portion of their deferred compensation into accounts pursuant to MIP provisions.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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