

Mergner Arthur W  
 Form 4  
 February 22, 2019

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2015  
 Estimated average burden hours per response... 0.5

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

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

NORTHFIELD, IL 60093

(City) (State) (Zip)

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

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

**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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | (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  | I  | By Esop II Trust                           |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

## Edgar Filing: Mergner Arthur W - Form 4

**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 of Underlying Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|-------|--|-----------------|--|
|  |  |                                      |  |                                | (A)   | (D)   | Date Exercisable   | Expiration Date |  |
| Stock Option (Right to Buy)                | \$ 92.29   | 02/20/2019                           |  | A                              | 3,375   |       | 12/31/2019 <sup>(2)</sup>                                | 02/19/2029      | Common Stock                               |
| Stock Appreciation Right                   | \$ 92.29   | 02/20/2019                           |  | A                              | 10,124  |       | 12/31/2019 <sup>(2)</sup>                                | 02/19/2029      | Common Stock                               |
| Performance Shares                         | <sup>(3)</sup>   | 02/20/2019                           |  | A                              | 2,601   |       | <sup>(3)</sup>   | <sup>(3)</sup>  | Common Stock                               |
| Performance Shares                         | <sup>(4)</sup>   | 02/20/2019                           |  | M                              |   | 3,649 | <sup>(4)</sup>   | <sup>(4)</sup>  | Common Stock                               |
| Share Units                                | <sup>(5)</sup>   | 02/20/2019                           |  | A                              | 2,263.195   |       | <sup>(6)</sup>   | <sup>(6)</sup>  | Common Stock                               |

## Reporting Owners

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

## Signatures

/s/ Stephanie J. Pacitti, attorney-in-fact for Arthur W. Mergner 02/22/2019

\*\*Signature of Reporting Person Date

## 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.

## Edgar Filing: Mergner Arthur W - Form 4

- (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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.