

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

| 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).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|   |   |   |
|---|---|---|
| 1. Name and Address of Reporting Person*<br><u>Stefaniak Debra</u><br><br>(Last) (First) (Middle)<br><u>22 W. FRONTAGE ROAD</u><br><br>(Street)<br><u>NORTHFIELD IL 60093</u><br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>STEPAN CO [ SCL ]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><u>VP, Business Enablement</u> |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br><u>02/19/2020</u>   |   |
|   |   | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |
| Common Stock                    | 02/19/2020                           |  | M                              |   | 899.36  | A          | (1)   | 9,063.556   | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |       | 1,939.075 <sup>(2)</sup>  | I  | By Esop II Trust                                      |

**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 and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D)   | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Stock Option (Right to Buy)                | \$102.3  | 02/19/2020                           |  | A                              |   | 1,736  |       | 12/31/2020 <sup>(3)</sup>                                | 02/18/2030      | Common Stock  | 1,736                                      | \$0  | 1,736   | D  |       |
| Stock Appreciation Right                   | \$102.3  | 02/19/2020                           |  | A                              |   | 5,207  |       | 12/31/2020 <sup>(3)</sup>                                | 02/18/2030      | Common Stock  | 5,207                                      | \$0  | 5,207   | D  |       |
| Performance Shares                         | (4)  | 02/19/2020                           |  | A                              |   | 1,173  |       | (4)  | (4)             | Common Stock  | 1,173                                      | (4)  | 1,173   | D  |       |
| Performance Shares                         | (5)  | 02/19/2020                           |  | M                              |   |  | 1,120 | (5)  | (5)             | Common Stock  | 1,120                                      | (1)  | 0   | D  |       |

**Explanation of Responses:**

- The performance shares vested upon Stepan Company achieving certain financial targets by December 31, 2019.
- Reflects the disposition of 643,965 shares held in the ESOP II account pursuant to a diversification election made under the Internal Revenue Code and ESOP II acquisitions that have occurred since the Reporting Person's last ownership report covering ESOP II holdings.
- Vests ratably over three years beginning on the date shown.
- 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, 2022.
- 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, 2019.

/s/ Brian William Bichkoff,  
attorney-in-fact for Debra 02/21/2020  
Stefaniak

\*\* Signature of Reporting Person Date

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

\* 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).

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

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 Number.