

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
STEPAN COMPANY		36-1823834	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
JAMES E. HURLBUTT	847-446-7500	JHURLBUTT@STEPAN.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
22 WEST FRONTAGE ROAD		NORTHFIELD, IL 60093	
8 Date of action		9 Classification and description	
DECEMBER 14, 2012		TWO-FOR-ONE STOCK SPLIT OF COMMON SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
858586100		SCL	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 24, 2012, the Company announced a two-for-one stock split on its common stock in the form of a 100% stock dividend. The record date for the stock split was November 30, 2012, and additional shares were distributed on December 14, 2012.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ For every share of common stock an investor holds on the action date, they will now hold 2 shares of common stock each having half (50%) the basis of the original share.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A two-for-one stock split reduces the basis in an underlying security by half (50%).

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 305(a) and IRC Section 307(a).

Horizontal lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ No loss is realized or recognized on this transaction.

Horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year for this action is 2012.

Horizontal lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

James E. Hurlbutt

Date ▶

12/17/12

Print your name ▶ JAMES E. HURLBUTT

Title ▶ VICE PRESIDENT & CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	