

**Stepan** 

# **We've Got Chemistry**

2016 Annual Report



## Financial Highlights

(In thousands, except per share and stockholder amounts)	2016	2015	% Change (2016 vs. 2015)	2014	% Change (2015 vs. 2014)
Net Sales	\$1,766,166	\$1,776,167	- 1	\$1,927,213	- 8
Net Income Attributable to Stepan Company	86,191	75,968	+ 13	57,101	+ 33
Per Diluted Share	3.73	3.32	+ 12	2.49	+ 33
Percent of Net Sales	4.9%	4.3%	+ 14	3.0%	+ 43
Percent Return on Average Equity	14.5%	13.9%	+ 4	10.5%	+ 32
Depreciation and Amortization	74,967	66,985	+ 12	63,804	+ 5
Capital Expenditures	103,076	119,349	- 14	101,819	+ 17
Dividends Per Common Share	\$0.78	\$0.73	+ 7	\$0.69	+ 6
Working Capital	388,276	376,329	+ 3	326,043	+ 15
Current Ratio	2.3	2.5	- 8	2.3	+ 9
Long-Term Debt, Less Current Maturities	288,859	313,817	- 8	246,897	+ 27
Total Stepan Company Stockholders' Equity	634,604	556,984	+ 14	535,546	+ 4
Total Stepan Company Stockholders' Equity Per Share	28.30	25.00	+ 13	24.06	+ 4
Average Common Shares Outstanding (Diluted)	23,094	22,858	+ 1	22,917	—
Number of Stockholders	1,662	1,675	—	1,618	+ 4

## Stock Information

New York Stock Exchange, symbol SCL	2016	2015
Stock Price Range	\$41.42–87.00	\$37.20–55.67
Dividend (Common)	\$0.78	\$0.73
Earnings Per Diluted Share	\$3.73	\$3.32
Return on Equity	14.5%	13.9%
Book Value	\$28.30	\$25.00
Shares Outstanding	22,424,698	22,280,850

Information in this annual report consists of forward-looking statements which are not historical facts. These statements are subject to risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including without limitation, those described in the Company's Form 10-K, Form 8-K and Form 10-Q reports filed with the Securities and Exchange Commission, which risks and uncertainties related to disruptions in production or accidents at manufacturing facilities, global competition, volatility of raw material and energy costs, disruptions in transportation or significant changes in transportation costs, reduced demand due to customer product reformulations or new technologies, the probability of future acquisitions and the uncertainties related to the integration of acquired businesses, maintaining and protecting intellectual property rights, international business risks, including currency exchange rate fluctuations, legal restrictions and taxes, our ability to estimate and maintain appropriate levels of recorded liabilities, our debt covenants, our ability to access capital markets, downturns in certain industries and general economic downturns, global political, military, security or other instability, costs related to expansion or other capital projects, interruption or breaches of information technology systems, the costs and other effects of governmental regulation and legal and administrative proceedings and our ability to retain executive management and key personnel.

**Chemistry is everywhere. It encompasses all we see, smell, hear, taste, touch and hold. It involves chemical reactions and describes interactions between people. Chemistry defines Stepan Company.**

When asked what Stepan does, employees often answer, “You may not know who we are, but you probably use at least one of our products every day.” As a leading global manufacturer of surfactants and polyester polyols, we touch more than a billion people every day through our presence in myriad household products, such as shampoos, toothpastes, laundry detergents and disinfectants. Some of our products help insulate buildings where you work, shop and play, while others provide nutritional value in infant formulas. Our powder resins are used in the coatings that protect and beautify your backyard furniture and barbeque grill. Oilfield and agricultural companies use Stepan surfactants in a growing number of products that benefit consumers and our environment.

We strive to have chemistry with our customers through understanding their needs and providing solutions that enable them to grow through open collaboration. We actively promote a culture of cooperation and teamwork, where the chemistry among our employees helps capture opportunities in the market and drive productivity gains throughout the company. Chemistry is everywhere and we’ve got it!

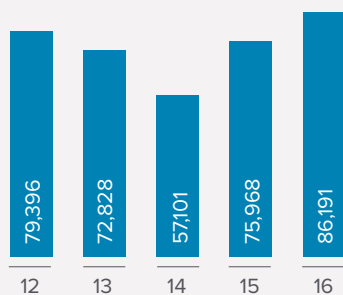


## Dear Fellow Shareholders

2016 was a good year for Stepan Company. The company delivered record net income, volume growth in each of our three business units and our best safety performance ever as we continued to position the company for future growth. We added new customers, new applications and new plant capabilities and along the way delivered significant income growth. Our Surfactant Business performed well and our Polymer Business grew operating income for the seventh consecutive year. We believe the chemistry we enjoy with our customers and employees throughout the company combined with innovative technologies will enable us to continue our growth in 2017 and beyond.

Net income increased 13 percent to a record \$86.2 million, or \$3.73 per diluted share. Adjusted net income rose 24 percent to a record \$98.2 million, or \$4.25 per diluted share. Volume rose 6 percent, due primarily to strong polymer growth globally and higher surfactant volumes in North America. Unit gross profit margins increased by 3 percent. Net sales were essentially flat at \$1.78 billion as lower prices tied to raw materials offset higher volumes.

**NET INCOME ATTRIBUTABLE TO STEPAN COMPANY**  
(dollars in thousands)



Surfactants generated \$99.8 million in operating income, down 4 percent from 2015, on \$1.2 billion in sales. Surfactant volume grew 5 percent. The business benefited from increased use of sulfonation assets, a long-term supply agreement with a large consumer products company and the rationalization of our Canadian sulfonation facility. We further diversified our end markets by expanding applications for the agriculture, oilfield and personal care markets. We also opened a new research center in Houston to serve the oilfield industry.

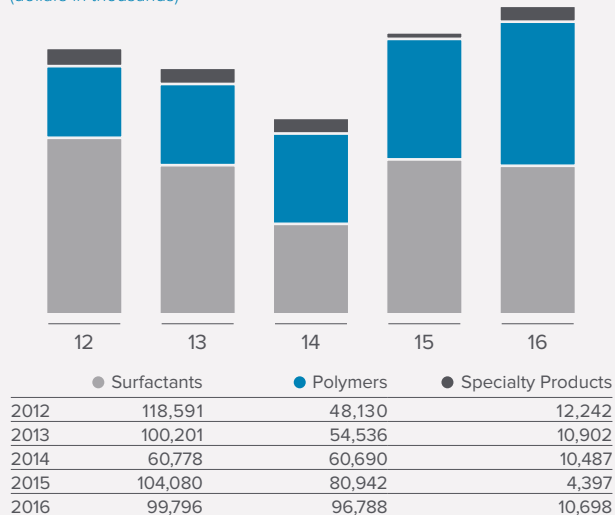
Polymers posted a seventh consecutive record year with an operating income of \$96.8 million, an increase of 20 percent from 2015. Volume grew 12 percent in 2016, reflecting a growing market for rigid insulation polyols that continues to benefit from

energy conservation efforts with governments in North America and Europe mandating or recommending higher insulation standards.

Specialty Products, which includes flavors, emulsifiers and stabilizers used in the food and pharmaceutical industries, increased operating income by \$6.3 million on increased sales and lower costs. The growth reflects restructuring actions taken in 2015 and increased volumes in our Neobee® Medium Chain Triglycerides, a versatile ingredient found in numerous pharmaceutical, flavor and food applications.

“We believe the chemistry we enjoy with our customers and employees throughout the company combined with innovative technologies will enable us to continue our growth in 2017 and beyond.”

**OPERATING INCOME BY SEGMENT 2012-2016**  
(dollars in thousands)



In 2016, we invested \$103.1 million to expand our company and improve our operations. We commissioned our new polyol plant in Nanjing, China. We also completed the construction of a new polyester polyol reactor in Poland that will provide growth opportunities in 2017. We relocated our European Polymer R&D and Technical Service center into a new laboratory in Poland.

We also expanded our capabilities in Brazil, acquiring Tebras Tensoativos do Brazil Ltda's commercial business and PBC Industria Quimica Ltda's sulfonation production facility within the greater Sao Paulo area. Combined, they have annual sales of approximately \$32 million and 25,000 metric tons of sulfonation capacity and an additional 1,200 new customers to which we can sell our broad surfactant line. We expect to expand and diversify capabilities at this site in the future. Due to changing market conditions, we discontinued production at the sulfonation production facility in Bahia, Brazil, and transferred remaining requirements to our Vespasiano, Brazil, facility.

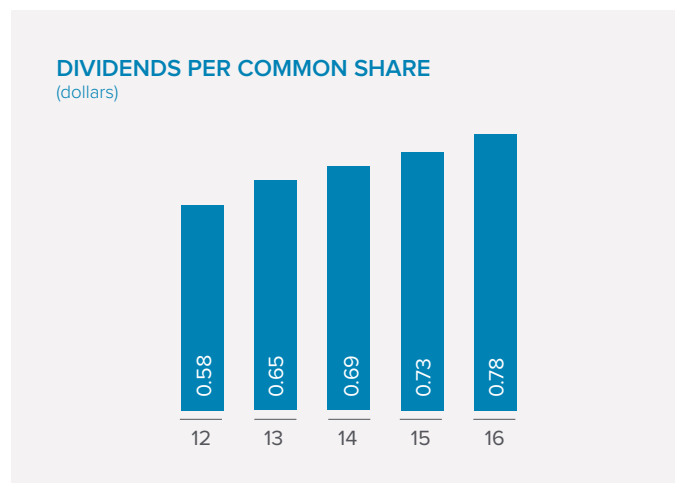
**“We are grateful for the many contributions of my father, F. Quinn Stepan, who retired as chairman at year-end after 55 years of service.”**

In October 2016, our Board of Directors declared a 7.9 percent increase in the company's quarterly cash dividend on its common stock to 20.5 cents per share. It marked the 49th consecutive year in which the quarterly dividend rate on our common stock has been increased.

Our 2,100 employees continue to serve our customers, help them solve problems and capture new opportunities. Our DRIVE initiative that is active across all functions delivered \$15 million in cash savings in 2016. The DRIVE process also was used to improve material margins and increase asset capabilities.

We awarded the Alfred C. Stepan, Jr. Award for Innovation in December to Frank-Rolf Roth, a process engineer at our Wesseling facility in Germany. His idea for improving the polyol production process significantly reduced process time and increased batch size. Our workforce is energized and engaged. Their ideas contributed significantly to profits in 2016 and provide an active pipeline to do the same in 2017.

We are grateful for the many contributions of my father, F. Quinn Stepan, who retired as chairman at year-end after 55 years of service. He will continue as a company director. My father joined



the company in 1961, the first year we were a public company. Net sales were \$17.3 million, net income was \$1.3 million, our market capitalization was \$23 million and we had just two manufacturing plants.

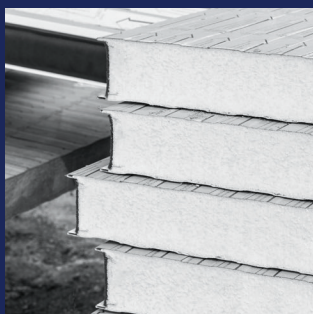
Working with our employees, past and present over his career, we have built a global company with \$1.8 billion in net sales and a market capitalization of \$1.8 billion. We thank him for his enthusiastic leadership and his contributions to our past and future growth.

As always, we are committed to delivering value to you our shareholders, and we appreciate your support.



**F. Quinn Stepan, Jr.**  
Chairman, President and CEO

# Our Progress



## RIGID FOAM INSULATION

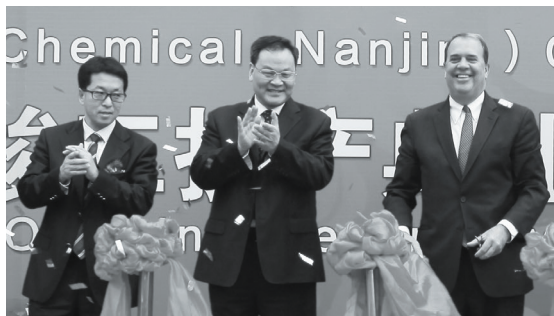
Stepan Global Rigid Polyol volumes for commercial roof insulation, such as that pictured above, grew 14 percent in 2016 as the insulation market continues to strengthen and Stepan penetrates further into the metal panel business.

# 97 MILLION

barrels of oil were saved in 2016 as a result of installed rigid foam insulation made with Stepan energy-efficient polyester polyol products.

## Benefiting Over A Billion People Daily

“We’ve Got Chemistry” is an apt theme for our annual report. It telescopes our record global profit growth in 2016 as well as the strength of our expanding product lines, inventiveness of our research scientists, work of our leaders to forge Stepan’s future and the pride and dedication of our 2,100 employees, especially in assisting our DRIVE efficiency program. It also underscores that chemistry doesn’t just take place in a laboratory. This report highlights that chemistry.



Our Nanjing, China, polymer plant opened on time, under budget.

### Profits Post Record on Higher Volume

As a growth company, Stepan Company is all about progress. We posted record net income growth in 2016 as well as strong contributions from Surfactants, record performance in Polymers and income growth in Specialty Products. Our business units benefited from our short- and long-term strategies as we continue to adapt to an always-changing global marketplace.

Net income climbed 13 percent to a record \$86.2 million, equal to \$3.73 per diluted share. Adjusted net income increased 24 percent to \$98.2 million, or \$4.25 per diluted share.

Sales volume rose 6 percent, chiefly reflecting strong polymer growth and increased North American surfactant volumes. Higher volume offset lower selling prices from reduced raw material costs and negative effects of a stronger U.S. dollar. Net sales were basically unchanged at \$1.78 billion.

Reflecting our strong profit growth, the Board of Directors increased the company’s quarterly dividend for the 49th consecutive year—putting Stepan in a small group of 27 companies with such a record. The quarterly dividend increased 7.9 percent to 20.5 cents a common share.

Surfactants posted \$99.8 million in operating income, down 4 percent, on \$1.2 billion in sales. Surfactants sales volume rose 5 percent for the year. Polymers had their seventh consecutive year of operating income growth and made \$96.8 million, up 20 percent from 2015. Polymers sales volume increased 12 percent, mainly from the strengthening insulation market and further penetration in the metal panel business. Our specialty polyol and resin business exceeded income targets. Operating income of Specialty Products—flavors, emulsifiers and stabilizers for food and pharmaceutical customers—more than doubled on higher sales and volume, especially of our Neobee® Medium Chain Triglycerides.

### New Investments in Brazil, China and Poland

Spending on R&D and technical services increased 12 percent to \$56.1 million. Capital spending of \$103.1 million basically matched expenditures from 2015. Notable investments included the acquisition of a commercial business and sulfonation production facility in Brazil’s Sao Paulo region, which added 1,200 sulfonation customers, \$32 million in annual sales and 25,000 metric tons of sulfonation capacity. Our Poland plant added a reactor that should allow growth in 2017.



Our Lipid Nutrition ingredients in infant formula add nourishment.

We completed the transition of surfactant production from our closed Canadian plant to U.S. facilities that will generate recurring savings of approximately \$4 million per year.

# Our Products



## DIVERSIFYING AGRICULTURAL PRODUCTS

Reflecting ever-changing market needs, Stepan is expanding its agricultural chemicals business with innovative new solutions originating from its robust product pipeline, including STEPAN® 3109-6 for use in customers' Ultra-high Loading Glyphosate formulations. The company leverages several core technologies, including sulfonation, alkoxylation and oxidation, among others. Its products assist customers with crop protection and seed treatment as well as turf and ornamental and home and garden uses. Stepan's RUCOTE® powder coating resins also are applied as a metal coating to agriculture equipment such as this combine.

# 250

Stepan agriculture products are sold globally, including the environmentally friendly solution spread by this combine on soybeans, as well as on corn and wheat.



## Turning Chemistry into Solutions

### Surfactants Segment Diversifies Customer Base

Sixty-seven percent of our sales comes from our Surfactant Business, where we are improving our operating margins in several ways as well as diversifying our customer base in consumer and functional markets, including the Agriculture and Oilfield markets.



Delivering surfactant science to oil and gas recovery.

We are assisting more customers in growing in their markets by applying best-in-class formulations designed to their specific needs. Leveraging Stepan's expertise, customers can accelerate their speed to market with new products. As an example, we are helping a customer in the Agriculture market replace petroleum-based solvents with a more efficient technology based on renewable feedstocks.

Application development laboratories in Brazil, France, Singapore and the U.S. (Houston) allow us to be more responsive to our customers and meet regional requirements that are often unique.

In Agriculture, we continue to expand our product range to include dispersants and formulations that include suspension concentrates and water dispersible granules. Nonionic surfactants also offer us a versatile chemistry platform, and we foresee investing significantly in this area. Further, we provide unique surfactants especially attractive in the growing gypsum wallboard market where we are applying our deep knowledge of molecular structure to develop lighter and stronger gypsum boards.

### Polymers Segment Profits Rise Again

Our Polymer Business continues to perform well, recording its seventh consecutive year of record earnings. Global polymer volumes grew 12 percent over the past year, with our global Rigid Polyol business posting especially strong volume increases. Polymers represented approximately 28 percent of our total sales and contributed a greater share to our operating income.

Polymers sold into the Rigid Insulation Foam end market benefit greatly from macroeconomic trends, including global energy conservation efforts, government-mandated or recommended higher insulation levels in buildings and the adoption of metal building panels in Europe.

In addition to Rigid Polyols, we make phthalic anhydride, a key raw material for plasticizers and unsaturated polyester resins. Our RUCOTE® polyester resins combine with various curatives to form durable, attractive and environmentally friendly powder coatings that enhance the aesthetic of finishes on substrates.



Many shampoos use our cleansing surfactants.

### Specialty Segment Operating Income Improves

Our Specialty Product Business, which contributes about 5 percent to our net sales, improved operating income to \$10.7 million in 2016 versus \$4.4 million in 2015. This progress reflects lower costs within our Lipid Nutrition business and higher volume sales of our Medium Chain Triglyceride product.

# Our People



## STEPAN BRAZIL ASSISTS CUSTOMERS IN REAL TIME

At Stepan Brazil, the R&D and Technical Service teams enhance our product, application and formulation support to customers by using innovative communications technology. This includes video and web conferences, visual displays and audio enhancement to engage customers in real time. Stepan employees in other locations also are embracing technology advances to better serve our customers.

# 25,000 METRIC TONS

of sulfonation capacity  
and 1,200 new customers  
accompanied the acquisition  
of a Brazilian production  
plant in 2016.

## Supporting Our Customers and Communities

Our employees are essential to our progress and success, and we are fortunate to employ talented people dedicated to our customers and to improving our company. Our top priority is to ensure that we work and live in a safe environment. We achieved our best safety performance in 2016.

We also develop annual performance targets that comprise our balanced scorecard. Our operating committee establishes priority projects annually that prove critical to that year's success. These clear priorities help Stepan and our employees meet a broad range of objectives that encompass sales, customer service, supply chain and innovation activities.

### Employee Ideas Have Bottom-line Impact

In 2016, employees worked to achieve goals covering nearly two dozen initiatives, including DRIVE initiatives to improve efficiency and reduce costs. These efforts led to significant bottom-line profit benefits. We have a large pipeline of opportunities that we expect will provide benefits in 2017 and beyond.

We award and reward our employees in several ways. Our highest honor is the Alfred C. Stepan, Jr. Award for Innovation, which has been given 12 times since 1985. In December 2016, the award was given to Frank-Rolf Roth, a process engineer at our Wesseling, Germany facility. The award recognizes creativity and innovative thinking that contributes significantly to Stepan's operating results. Frank-Rolf received the honor for his idea for improving our polyol production process. His approach led to a significant reduction in processing time and a larger batch size.



Art Mergner (left) presents the Alfred C. Stepan, Jr. Award for Innovation to Frank Rolf-Roth (right), recognized for improving the polyol production process.

Stepan employees give back—especially in education. Every year, each of our 18 production facilities participates in volunteer and fundraising events in their communities. Education-related activities prove most popular, including those that seek to interest students in careers in chemistry, science and engineering.

### Stepan Volunteers Support STEM Education Efforts

In 2016, Stepan employees participated in education-related volunteer activities as part of the company's participation in Teach for America and interest in the STEM disciplines. These initiatives included assisting Chicago's largely Hispanic CICS Northtown Academy through mentoring and job-shadowing, and also demonstrating experiments and discussing education paths for scientists and engineers at chemical and manufacturing industry events.



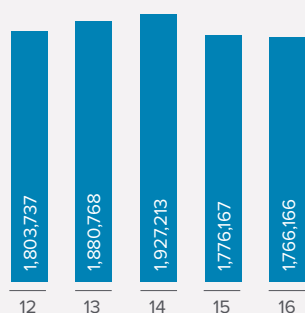
Students get backpacks and supplies from Stepan Philippines employees.

Elsewhere, Stepan Philippines employees provided backpacks full of school supplies to nearly 100 students from two local schools. In Brazil, Stepan employees contributed personal care items and clothes to Casa Hope to support children and their families while in Sao Paulo for cancer treatment.

Stepan Poland sponsored two events to promote wellness and healthy lifestyle choices. They included a "Let's Live Together, Not Separately" event with sports and arts activities for students.

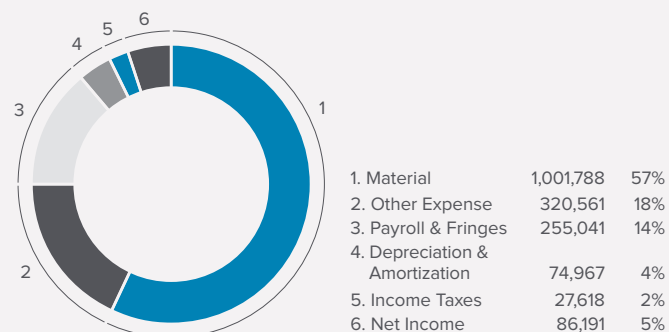
## NET SALES

(dollars in thousands)



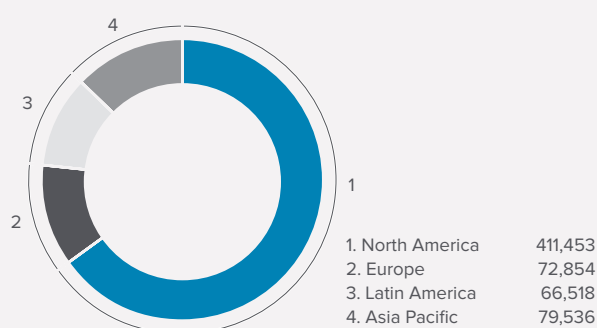
## 2016 SALES DOLLAR DISTRIBUTION

(dollars in thousands)



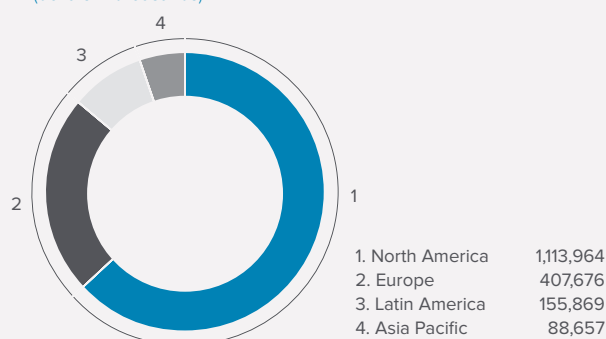
## 2016 LONG LIVED ASSETS

(dollars in thousands)



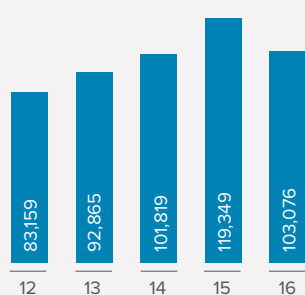
## 2016 GLOBAL SALES

(dollars in thousands)



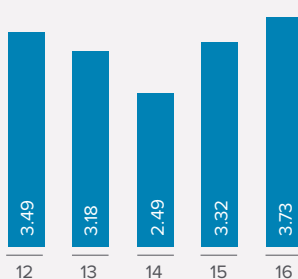
## CAPITAL EXPENDITURES

(dollars in thousands)



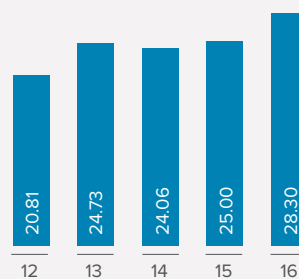
## NET INCOME ATTRIBUTABLE TO STEPAN COMPANY PER COMMON SHARE (DILUTED)

(dollars)



## TOTAL STEPAN COMPANY EQUITY PER SHARE

(dollars)



## RECONCILIATION OF NON-GAAP ADJUSTED NET INCOME\*

(dollars in thousands, except per share amounts)

	2016	EPS	2015	EPS
Net Income Reported	\$86,191	\$3.73	\$75,968	3.32
Deferred Compensation Expense	9,977	0.43	3,453	0.15
Business Restructuring	4,824	0.21	—	—
Contract Termination Settlement	(2,805)	(0.12)	—	—
Environmental Remediation Expense	—	—	341	0.01
Gain on Divestiture of Product Line	—	—	(1,774)	(0.08)
TIORCO JV Dissolution	—	—	1,461	0.06
<b>Adjusted Net Income</b>	<b>\$98,187</b>	<b>\$4.25</b>	<b>\$79,449</b>	<b>\$3.46</b>

## Five Year Summary 2012–2016

(in thousands, except per share and employee data)

For the Year	2016	2015	2014	2013	2012
Net Sales	\$1,766,166	\$1,776,167	\$1,927,213	\$1,880,786	\$1,803,737
Operating Income	126,193	122,790	90,694	109,153	128,716
Percent of Net Sales	7.1%	6.9%	4.7%	5.8%	7.1%
Income Before Provision for Income Taxes	113,816	102,856	75,535	95,630	115,722
Percent of Net Sales	6.4%	5.8%	3.9%	5.1%	6.4%
Provision for Income Taxes	27,618	26,819	18,454	23,293	36,035
Net Income Attributable to Stepan Company	86,191	75,968	57,101	72,828	79,396
Per Diluted Share <sup>a</sup>	3.73	3.32	2.49	3.18	3.49
Percent of Net Sales	4.9%	4.3%	3.0%	3.9%	4.4%
Percent to Total Stepan Company Stockholders' Equity <sup>b</sup>	14.5%	13.9%	10.5%	14.1%	18.0%
Cash Dividends Paid	17,329	16,300	15,387	14,474	12,757
Per Common Share	0.78	0.73	0.69	0.65	0.58
Depreciation and Amortization	74,967	66,985	63,804	56,400	51,294
Capital Expenditures	103,076	119,349	101,819	92,865	83,159
Weighted-average Common Shares Outstanding (Diluted)	23,094	22,858	22,917	22,924	22,730
<b>As of Year End</b>					
Working Capital	\$388,276	\$376,329	\$326,043	\$339,557	\$275,911
Current Ratio	2.3	2.5	2.3	2.3	2.1
Property, Plant and Equipment, net	582,714	555,463	524,195	494,042	422,022
Total Assets	1,353,890	1,239,661	1,162,014	1,167,202	985,478
Long-term Debt Obligations, Less Current Maturities	288,859	312,548	245,880	234,092	148,851
Total Stepan Company Stockholders' Equity	634,604	556,984	535,546	552,286	478,985

a. Based on weighted-average number of diluted common shares outstanding during the year.

b. Based on average equity.

The selected financial data included herein has not been audited. The information was derived from the Company's audited financial statements for the respective years, which were presented in accordance with accounting principles generally accepted in the United States of America and which were audited in accordance with the standards of the United States Public Company Accounting Oversight Board. Copies of the full consolidated financial statements and of the independent registered public accountants' report that expressed an unqualified opinion (dated February 24, 2017) are included in the Company's 2016 Annual Report on Form 10-K filed with the United States Securities and Exchange Commission, which is available on request or via our Website at [www.stepan.com](http://www.stepan.com).

## Corporate Directors & Officers

### BOARD OF DIRECTORS



**F. Quinn Stepan, Jr.**  
Chairman, President and Chief Executive Officer



**F. Quinn Stepan**  
Former Chairman



**Michael R. Boyce**  
Chairman, PQ Corporation, a global specialty chemical and catalyst company, Malvern, Pennsylvania



**Randall S. Dearth**  
Chairman, President and Chief Executive Officer, Calgon Carbon Corporation, a global manufacturer of activated carbon and innovative treatment systems, Pittsburgh, Pennsylvania



**Joaquin Delgado, Ph.D.**  
Executive Vice President, Consumer Business Group, 3M Company, a global diversified technology company, St. Paul, Minnesota



**Gregory E. Lawton**  
Former President and Chief Executive Officer, Johnson Diversey, Inc., a global provider of cleaning and hygiene solutions to the institutional and industrial marketplace, Sturtevant, Wisconsin



**Jan Stern Reed**  
Former Senior Vice President, General Counsel and Corporate Secretary, Walgreens Boots Alliance, Inc., a global pharmacy-led, health and well-being enterprise, Deerfield, Illinois



**Edward J. Wehmer**  
President and Chief Executive Officer, Wintrust Financial Corporation, a financial services company, Rosemont, Illinois

### OFFICERS

**F. Quinn Stepan, Jr.**  
Chairman, President and Chief Executive Officer

**Scott D. Beamer**  
Vice President and Chief Financial Officer

**Scott R. Behrens**  
Vice President and General Manager, Surfactants

**Jennifer Ansbro Hale**  
Vice President, General Counsel, Chief Compliance Officer and Secretary

**Scott C. Mason**  
Vice President, Supply Chain

**Arthur W. Mergner**  
Vice President and General Manager, Polymers

**Frank Pacholec, Ph.D.**  
Vice President, Strategy and Corporate Development

**Gregory Servatius**  
Vice President, Human Resources

**Robert V. Slone**  
Vice President, Chief Technology and Sustainability Officer

**Debra A. Stefaniak**  
Vice President, Business Transformation

## Corporate Information

### DEPARTMENTAL VICE PRESIDENTS

#### Business Transformation

**Jeffrey E. Grahn**

Vice President, Transformation Initiatives

#### Strategy and Corporate Development

**Todd A. Nelmark**

Vice President, Commercial Development

#### Finance

**Matthew J. Eaken**

Vice President and Corporate Controller

#### Supply Chain

**Thomas G. Meyer**

Vice President, North American Supply Chain

**Gary M. Traverso**

Vice President, Corporate Engineering and Asia Supply Chain

#### Polymers

**Michael A. McCurrie**

Vice President, Americas

**Roger Stubbs**

Vice President, Europe

#### Procurement

**Kyle Montgomery**

Vice President, Procurement

**Richard H. Wehman, Jr.**

Vice President, Strategic Purchasing

#### Research and Development

**Matthew I. Levinson, Ph.D.**

Vice President, Global Process Development

**Paul Neill, Ph.D.**

Vice President, Polymers Research and Development

#### Specialty Products

**Robert J. Peacock**

Vice President and General Manager

#### Surfactants

**Adriano Galimberti**

Vice President and General Manager, Mercosur

**Sean T. Moriarty**

Vice President and General Manager, North America

**Mark F. Mydlach**

Vice President, Sales

**Didier Ray**

Vice President, Europe

#### Independent Registered Public Accounting Firm

Deloitte & Touche LLP, Chicago, Illinois

#### Transfer Agent and Registrar

Computershare

P.O. Box 30170

College Station, TX 77842-3170

800.446.2617

Contact the Transfer Agent and Registrar concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

#### Stock Listing

New York Stock Exchange: SCL

#### Investor Relations

**Scott D. Beamer**

847.446.7500

#### Form 10-K

Copies of the Company's annual report on Form 10-K, filed with the Securities and Exchange Commission, will be available without charge to stockholders and interested parties upon written request to the Secretary of the Company or may be obtained on our website at [www.steppan.com](http://www.steppan.com)

#### Annual Meeting

The 2017 Annual Meeting of the Stockholders of the Company will be held at 9:00 a.m., Tuesday, April 25, 2017, at the Company's headquarters in Northfield, Illinois.

#### Corporate Governance

The Company's Corporate Governance Guidelines and Code of Conduct are provided on our website at [www.steppan.com](http://www.steppan.com) within the Investor Relations section of the site. The same website location provides contact information for the Company's Ethics Hotline, which allows employees, stockholders and other interested parties to communicate with the Company's management or Audit Committee (on an anonymous basis, if desired) through an independent third-party hotline by telephone or online.

Design: Edelman Chicago





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