STEPAN CO
Form 4
February 23, 2017

FORM 4

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

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
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)
02/21/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP & General Manager

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	02/21/2017		M		1,449	A	(1)	6,449	D	
Common Stock	02/23/2017		A		102.495	A	$ 78.91	6,102.77	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)

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 Underlyi (Instr. 3
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Stock Option (Right to Buy)	$ 78.58	02/21/2017		A		3,165		02/21/2018(2)	02/20/2027	Comm Stoc
Stock Appreciation Right	$ 78.58	02/21/2017		A		9,494		02/21/2018(2)	02/20/2027	Comm Stoc
Performance Shares	(3)	02/21/2017		A		2,545		(3)	(3)	Comm Stoc
Performance Shares	$ 0 (4)	02/21/2017		M			1,615	(4)	(4)	Comm Stoc
Share Units (5)	(6)	02/21/2017		A		4,553.645		(7)	(7)	Comm Stoc

Reporting Owners

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

Signatures

/s/ Matthew M. Rice, attorney-in-fact for Arthur W. Mergner	02/23/2017
**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)** Amount reported reflects vesting of 1,449 performance shares as shown on Table II due to achievement of certain financial targets by December 31, 2016.
- **(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 Common Stock. The performance shares vest upon Stepan Company achieving certain financial targets by December 31, 2019.
- **(4)** The performance shares vested upon Stepan Company achieving certain financial targets by December 31, 2016.

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

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

(7) Reflects acquisition of Share Units pursuant to reporting persons election under the MIP, generally payable at end of employment, unless otherwise elected.

(8) Price reported is the price of Common Stock on the date of the deferral.

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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