

ST CORPORATE GOVERNANCE CHARTER

Preamble to ST Corporate Governance Charter

All publicly listed companies incorporated in The Netherlands, including STMicroelectronics N.V. (“ST” or the “Company”) are subject to the Dutch Corporate Governance Code (the “Code”). As ST’s common shares are listed on the New York Stock Exchange (“NYSE”), Euronext Paris and the Milano Borsa and not in The Netherlands, our policies and practices cannot be in every respect consistent with all Dutch “Best Practice” recommendations contained in the Code. We have summarized our corporate governance policies and practices in this Charter. Our Charter was first discussed with and approved by our shareholders at our 2004 Annual General Meeting of Shareholders. This Charter, as updated from time to time, is incorporated by reference in ST’s statutory annual accounts. This Charter will be further updated and expanded whenever necessary or advisable. As recommended by the Code, we are committed to inform our shareholders of any significant changes in our corporate governance policies and practices at our annual general meeting.

Our Corporate Governance Charter is posted on our website and available in print to any shareholder who may request it.

Introduction

Since our formation in 1987, we have demonstrated a consistent commitment to the principles of good corporate governance, evidenced by:

- (i) ST’s corporate organization under Dutch law that entrusts ST management to a Managing Board acting under the supervision and control of a Supervisory Board independent from the Managing Board. Members of the Managing Board and Supervisory Board are appointed and dismissed by our shareholders;
- (ii) ST’s early adoption of policies on important issues such as “business ethics”, “conflicts of interest” and “insider trading”;
- (iii) ST’s strict policies concerning financial reporting and public disclosures which have been implemented since its 1994 IPO and are periodically reviewed to comply with applicable regulatory requirements,
- (iv) ST’s compliance with United States, French and Italian securities laws, because our shares are listed in these jurisdictions, and with Dutch company and securities laws, because we are a company incorporated under the laws of The Netherlands, as well as ST’s compliance with all corporate, social and financial laws applicable to our subsidiaries in all of the countries in which we do business; and
- (v) ST’s broad-based activities in the field of corporate social responsibility, encompassing environmental, social, health, safety, educational and other related issues.

1. CORPORATE ORGANIZATION

ST is organized under Dutch laws and operates with a Managing Board and a Supervisory Board, both of which report to our shareholders.

A. Our Managing Board

1. Our Managing Board is entrusted with our general management. The Managing Board, whose Members are appointed and dismissed by our shareholders, upon proposal by the Supervisory Board, is currently comprised of one person, our President and Chief Executive Officer (“CEO”). Our CEO is supported in his tasks by an Executive Committee and a group of Vice Presidents, which together constitute our senior management. By law, neither our CEO nor any member of our senior management can serve on our Supervisory Board.

2. The Executive Committee is comprised of eight executive officers in addition to the CEO. The role of the Executive Committee, which represents all the functions of the organization, includes corporate policy making, coordination of the strategies of individual corporate functions, and driving major cross-functional programs. The Executive Committee is chaired by the CEO and meets regularly to discuss and drive major company-wide strategies and programs.

3. Our Managing Board is accountable to our Supervisory Board and to our General Meeting of Shareholders. In discharging its role according to Dutch law, the Managing Board guides ST in our best interest as well as in consideration of the interests of all of our stakeholders.

4. Our Managing Board is required to inform our Supervisory Board in writing at least once a year of the main features of strategic policy, the general and financial risks and the management and control systems of ST.

5. Our Managing Board prepares a report to the shareholders at our General Meeting of Shareholders.

6. Our Managing Board has adopted a Managing Board and Executive Committee Charter setting forth the rules and procedures governing its operations and the manner in which it carries out its duties and exercises operational control over our operations. The Managing Board and Executive Committee Charter is posted on our web site and is made available in print to shareholders upon request.