



## COMPENSATION POLICY FOR THE SUPERVISORY BOARD OF STMICROELECTRONICS N.V. (THE "COMPANY")

### Article 1 - INTRODUCTION

This document sets out the Company's remuneration policy concerning members of the supervisory board (together the "**Supervisory Board**" and each member a "**Supervisory Director**"), as last amended by the Supervisory Board on 25 March 2020.

### Article 2 - OBJECTIVES

- 2.1 The amount, level and structure of the compensation of the Supervisory Board (the "**Compensation**") contributes to the Company's strategy, long-term interests and sustainability by:
- a. attracting and retaining highly skilled individuals with the qualities, capabilities, profile and experience needed to supervise the general affairs and policies pursued by the managing board in respect of the Company and its business;
  - b. promoting the effectiveness of the Company's internal risk management and control systems and the integrity and quality of financial reporting; and
  - c. promoting effective supervision on the strategy of the Company with the objective of furthering long-term value creation in a manner consistent with the Company's identity, mission and values;
- 2.2 The Supervisory Board has taken into account the following matters in this compensation policy ("**Compensation Policy**"):
- a. the identity, mission and values of the Company;
  - b. the wage and employment conditions of the employees of the Company;
  - c. the internal pay ratio within the Company;
  - d. the level of social support (*maatschappelijk draagvlak*); and
  - e. relevant market information such as industry standards and benchmark with other semiconductor companies of comparable size, complexity and international scope.

### Article 3 - EXECUTION OF THE COMPENSATION POLICY

- 3.1 The amount, level and structure of the Compensation shall be determined by the general meeting of shareholders of the Company (the "**General Meeting**") upon a proposal from the Supervisory Board following the recommendation of the Compensation Committee in accordance with this Compensation Policy.
- 3.2 The Compensation Committee shall prepare its recommendations relating to the Compensation in accordance with this policy and any such recommendation shall cover the amount of the fixed compensation and attendance fees.

- 3.1 The Supervisory Board may at any time and as it deems fit choose to execute any aspect of this policy without the recommendation of the Compensation Committee which is described herein, or to delegate the execution of any aspect of this policy to the Compensation Committee even if such delegation is not described herein.

#### **Article 4 - COMPOSITION OF THE COMPENSATION**

- 4.1 The Compensation may consist of:
- a. An annual fee;
  - b. attendance fees; and
  - c. reimbursement of expenses, as applicable.
- 4.2 The Compensation does not include any variable component. Furthermore, the Company shall not grant any loans, guarantees or similar benefits as part of the Compensation.

#### **Article 5 - SEVERANCE PAY**

- 5.1 Supervisory Directors are appointed for 3-year terms (renewable) and dismissed by the General Meeting upon the non-binding proposal of the Supervisory Board. There are no severance provisions for Supervisory Directors.

#### **Article 6 - MISCELLANEOUS**

- 6.1 The Supervisory Board (upon a proposal from the Compensation Committee) may resolve propose to the General Meeting to deviate temporarily from this Compensation Policy if the Supervisory Board is of the opinion that such deviation is necessary to safeguard the long-term interests and the sustainability of the Company as a whole, for instance from the provisions laid down in article 5.1 of this policy. The Supervisory Board will decide upon any such proposal for deviation upon advice of the Compensation Committee.
- 6.2 This policy shall be submitted for adoption to the General Meeting:
- a. at least every four years; and
  - b. whenever changes would need to be made according to the Supervisory Board.
- 6.3 When the compensation policy is submitted to the General Meeting for adoption, the Supervisory Board shall include a description of:
- a. The major changes; and
  - b. how shareholder votes and positions on the compensation policy and reports since the previous vote by the General Meeting on the Compensation Policy have been taken into account.
- 6.4 This Compensation Policy shall be available on the website of the Company, including the shareholder votes and positions on the compensation policy.