STMICROELECTRONICS N.V.
(the "Company")

2017 Annual General Meeting of Shareholders
(the "AGM")

EXPLANATORY NOTES

The Supervisory Board proposes:

Agenda item 2 - Discussion item

Shareholders are invited to discuss the report of the Managing Board on the 2016 financial year and the explanations regarding the deviations from the Dutch Corporate Governance Code. This agenda item is a non-voting item. In respect of this item reference is made to the Report of the Managing Board included in chapter 3 of the 2016 annual accounts and the deviations from the Dutch Corporate Governance Code included in chapter 5 of the 2016 annual accounts. The 2016 annual accounts are published on the Company's website.

Agenda item 3 - Discussion item

Shareholders are invited to discuss the report of the Supervisory Board on the 2016 financial year. This agenda item is a non-voting item. In respect of this item reference is made to the Report of the Supervisory Board included in the 2016 annual accounts in chapter 4. The 2016 annual accounts are published on the Company's website.

Agenda item 4-a - Discussion item

In accordance with Dutch law, shareholders are invited to discuss the implementation of the remuneration policy for the Managing Board. This agenda item is a non-voting item. In respect of this item reference is made to the Report of the Supervisory Board as well as other information on remuneration included in the 2016 annual accounts in paragraph 4.8. The 2016 annual accounts are published on the Company's website.

Agenda item 4-b - Voting item

To adopt the annual accounts for the 2016 financial year, as drawn up by the Managing Board, examined and audited by the Company's independent external auditors, Ernst and

Young Accountants LLP, and approved by the Supervisory Board. The annual accounts, which include the reports of the Managing Board and the Supervisory Board, have been prepared in English consistent with prior practice, and in accordance with IFRS Accounting Standards as adopted by the European Union, as IFRS constitute the Company's statutory reporting standards.

Agenda item 4-c - Voting item

To distribute, in line with the Company's Dividend Policy, a quarter dividend in cash of:

- US$ 0.06 per common share in the second quarter of 2017,
- US$ 0.06 per common share in the third quarter of 2017,
- US$ 0.06 per common share in the fourth quarter of 2017, and
- US$ 0.06 per common share in the first quarter of 2018. (1)

Shareholders' information:

Information on the ex-dividend dates, the record dates and the payment dates regarding the quarter dividend distributions referred to above, if adopted by the General Meeting of Shareholders, is included in Annex A to these explanatory notes.

Agenda item 4-d - Voting item

To discharge the sole member of the Managing Board for his management during the 2016 financial year.

Shareholders' information:

In accordance with Dutch law, discharge of the sole member of the Managing Board is separately adopted as agenda item.

Agenda item 4-e - Voting item

To discharge the members of the Supervisory Board for their supervision during the 2016 financial year.

Shareholders' information:

In accordance with Dutch law, discharge of the members of the Supervisory Board is separately adopted as agenda item.

Agenda item 5 - Voting item

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(1) For practical purposes the agenda and the explanatory notes refer to dividend to reflect either dividend distributions or distributions out of the freely distributable reserves of the company.

To amend the Company's articles of association, in accordance with the draft deed of amendment of which a copy (in Dutch, with English translation) is deposited at the offices of the Company and published on the website of the Company, and to authorize any and all (candidate) civil-law notaries and lawyers practicing with NautaDutilh N.V. to execute the deed of amendment.

Shareholders' information:

Article 12.1 of the current articles of association of the Company provides, inter alia, that members of the Managing Board are appointed for a period of three years, a year being understood as meaning the period between two general meetings of shareholders in which the annual accounts of the previous financial year are adopted. For purposes of clarification the proposed amendment purports to allow the general meeting of shareholders to appoint Managing Board members for a period shorter than that, by adding the words "no more than" (in the prevailing Dutch, as published on the Company website: "niet meer dan") to article 12.1 as follows:

*"12.1. The company shall be managed by a managing board consisting of one or more managing directors under the supervision of the supervisory board. The number of members of the managing board shall be resolved upon by the general meeting of shareholders upon the proposal of the supervisory board. The members of the managing board shall be appointed for **no more than** three years, a year being understood as meaning the period between two general meetings of shareholders in which the annual accounts of the previous financial year are adopted.".*

Agenda item 6 - Voting item

To appoint Mr. Carlo Bozotti as sole member of the Managing Board for a one-year term effective as of the 2017 AGM to expire at the end of the 2018 AGM.

Shareholders' information:

Carlo Bozotti (64 years old| Italian nationality)

Carlo Bozotti has been the President and Chief Executive Officer of the Company since March 2005. He is the Sole Member of the Managing Board and chairs ST's Corporate Strategic Committee. Mr. Bozotti joined SGS-ATES (later renamed SGS Microelettronica), a predecessor company to STMicroelectronics, in 1977. Ten years later, when SGS Microelettronica of Italy merged with Thomson Semiconducteurs of France to form a new European champion, which is ST today and is among the leading semiconductor companies worldwide, Mr. Bozotti became General Manager of the Telecom Product Division. Subsequently, he was promoted to Director of Corporate Strategic Marketing and Key Accounts and, later, to Corporate Vice President, Marketing and Sales, Americas. In 1994, Mr. Bozotti was appointed Corporate Vice President for Europe and the Headquarters Regions, overseeing the Company's sales in Europe, as well as sales to key customers and strategic marketing worldwide. From 1998 to 2005, Mr. Bozotti served as Corporate Vice President and General Manager of the Memory Products Group. Mr. Bozotti is a member of the High-Level Group on Key Enabling Technologies (HLG) and the Electronics Leaders Group (ELG) launched in 2010 and 2013, respectively, by the European

Commission. Mr. Bozotti graduated with a degree in Electronic Engineering from the University of Pavia, Italy.

The candidacy of Mr. Bozotti as sole member of the Managing Board is being proposed on the basis of his specific financial and technical expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform his activities as the sole member of the Managing Board.

Agenda item 7 - Voting item

To approve that the Supervisory Board grants to Mr. Carlo Bozotti up to a maximum number of 100,000 common shares, in the form of Unvested Stock Awards, for services to be rendered in 2017 as the President and CEO, whereby the vesting of such Unvested Stock Awards will be tied to company performance, according to predetermined and quantifiable criteria to be fixed by the Supervisory Board upon the recommendation of its Compensation Committee, with the objective of creating long-term value for our shareholders.

Shareholders' information:

The Unvested Stock Awards are intended to provide an incentive to the President and CEO to increase his efforts for the success of us by offering him an opportunity to obtain or increase his proprietary interest in us through the vesting of the up to 100,000 Unvested Stock Awards to be granted to him, provided the applicable predetermined and quantifiable criteria as determined by the Supervisory Board upon the recommendation of its Compensation Committee are met. Such criteria are usually based on business and financial results of the Company as compared to a benchmark of selected semiconductor companies over a 12-month period and/or the predetermined annual budget. The stock awards (if any) will vest 32% one year, a further 32% two years and the remaining 36% three years, respectively, after the date of the grant as defined by the plan, subject to Mr. Bozotti's continued service at the Company (subject to the acceleration provisions in the event of a change of control).

In respect of this item reference is made to the Report of the Supervisory Board and more specifically to the Remuneration report, included in the 2016 annual accounts in paragraph 4.8, where past performance under this plan can be viewed. The 2016 annual accounts are published on the Company's website.

Agenda item 8 - Voting item

To appoint Ms. Heleen Kersten as a member of the Supervisory Board, for a three-year term effective as of the AGM to expire at the end of the 2020 AGM.

Shareholders' information:

Ms. Heleen Kersten (51 years old | Dutch nationality)

Ms. Heleen Kersten has been a member of the Supervisory Board since June 2014. She serves on the Supervisory Board's Audit Committee and Compensation Committee and chairs its Nominating and Corporate Governance Committee. Ms. Kersten is a partner at Stibbe in Amsterdam, where she held the position of managing partner from 2008 to 2013. Stibbe is a Benelux law firm with offices in Amsterdam, Brussels, Luxembourg, London, New York, Dubai and Hong Kong. She began her career in 1989 with Stibbe before joining Davis Polk in New York and London (1992-1993). After her return to Stibbe Amsterdam, she rose through the ranks to become a partner in 1997. As a member of the Bar of Amsterdam since 1989, Ms. Kersten specializes in mergers and acquisitions, equity capital markets, corporate law and corporate governance. Ms. Kersten was a supervisory board member of the Dutch listed bank Van Lanschot N.V. until May 2015 and the Chairman of the supervisory board of the Dutch private equity firm Egeria Investment B.V. until April 2016. She is currently a supervisory board member of the Rijksmuseum (Stichting Het Rijksmuseum), since 2015. She is also a board member of the Foundation Donors of the Royal Concertgebouw Orchestra (Stichting Donateurs Koninklijk Concertgebouworkest), since 2010. Ms. Kersten holds master's degrees in Dutch law and tax law, both from Leiden University in the Netherlands. Ms. Kersten does not hold any share or right to acquire shares in the Company's share capital.

The re-appointment of Ms. Kersten as member of the Supervisory Board is being proposed on the basis of her specific expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform the activities as member of the Supervisory Board.

Agenda item 9 - Voting item

To appoint Mr. Jean-George Malcor as a member of the Supervisory Board for a three-year term effective as of the AGM to expire at the end of the 2020 AGM.

Shareholders' information:

Mr. Jean-Georges Malcor (60 years old | French nationality)

Mr. Jean-Georges Malcor has been a member of the Supervisory Board since May 2011. He serves on the Supervisory Board's Audit Committee. Mr. Malcor is the Chief Executive Officer of CGG. He is a graduate of Ecole Centrale de Paris. He also holds a Master of Sciences degree from Stanford University, and a Doctorat from Ecole des Mines. Mr. Malcor began his career at the Thales group as an acoustic engineer in the Underwater Activities division where he was particularly in charge of hydrophone and geophone design and towed streamer programs. He then moved to the Sydney based Thomson Sintra Pacific Australia, becoming Managing Director of the company in 1990. Back in France, he became Director of Marketing and Communications (1991), then Director, Foreign Operations of Thomson Sintra Activités Sous Marines (1993). In 1996, he was appointed Managing Director of Thomson Marconi Sonar Australia which was, in addition to its military activities, the lead developing company for the solid geophysical streamer. In 1999, Mr. Malcor became the first Managing Director of the newly formed joint venture Australian Defense Industry. During this time he operated the Sydney based Woolloomooloo Shipyard (the largest dry dock in the southern hemisphere). In 2002, he became Senior Vice President, International Operations of Thales International. From 2004 to 2009, he was Senior Vice President in charge of the Naval Division, supervising all naval activities in Thales including ship design, building and maintenance. In January 2009, he became Senior Vice President, in charge of the Aerospace Division. In June 2009, he moved to the position of Senior Vice President, Continental Europe, Turkey, Russia, Asia, Africa, Middle East, and Latin America. Mr. Malcor joined CGG in January 2010 as President and became CEO on June 30, 2010. Since June 2013, Mr. Malcor has been a member of the Supervisory Board (as well as its Appointment and Compensation Committee) of the Fives Group. Mr. Malcor owns a right to acquire 30,000 common shares in the Company's share capital.

The re-appointment of Mr. Malcor as member of the Supervisory Board is being proposed on the basis of his specific expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform the activities as member of the Supervisory Board.

Agenda item 10 - Voting item

To appoint Mr. Alessandro Rivera as a member of the Supervisory Board for a three-year term effective as of the AGM to expire at the end of the 2020 AGM.

Shareholders' information:

Mr. Alessandro Rivera (46 years old | Italian nationality)

Mr. Alessandro Rivera has been a member of the Supervisory Board since May 2011. Mr. Rivera serves on the Supervisory Board's Audit Committee and Nominating and Corporate Governance Committee. He has been the Head of Directorate IV "Financial Sector Policy and Regulation Legal Affairs" at the Department of the Treasury, Ministry of Economy and Finance, since 2008. He served as Head of Unit in the Department of the Treasury from 2000 to 2008 and was responsible for a variety of policy matters: financial services and markets, banking foundations, accounting, finance, corporate governance and auditing. Since 2008, Mr. Rivera has been the Government representative in the "Consiglio Superiore" of the Bank of Italy, and in the Financial Services Committee. Since 2013 he has been a member of the Board of Directors and Compensation Committee of Cassa Depositi e Prestiti. From 2011 to 2014 he was a member of the Board of Directors and Compensation Committee of Poste Italiane S.p.A.. From 2008 to 2011 he was a member of the European Securities Committee. He was a member of the Accounting Regulatory Committee from 2002 to 2008 and a member of the Audit Regulatory Committee from 2005 to 2008. He served on the board of Italia Lavoro S.p.A. from 2005 to 2008 and was a member of the Audit Committee and the Compensation Committee. Mr. Rivera was also the Chairman of the Audit Committee of the "Fondo nazionale di garanzia degli intermediari finanziari" (Italian investor compensation scheme) from 2003 to 2008. From 2001 to 2010, he was the Project Leader and Deputy Project Leader in several twinning projects with Eastern European Countries (the Russian Federation, the Czech Republic, Lithuania, and Bulgaria). He also served on the board of

Mediocredito del Friuli — Venezia Giulia S.p.A from 2001 to 2003. Mr. Rivera owns a right to acquire 30,000 common shares in the Company's share capital.

The re-appointment of Mr. Rivera as member of the Supervisory Board is being proposed on the basis of his specific expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform the activities as member of the Supervisory Board.

Agenda item 11 - Voting item

To appoint Mr. Frederic Sanchez as a member of the Supervisory Board for a three-year term effective as of the AGM to expire at the end of the 2020 AGM.

Shareholders' information:

Mr. Frederic Sanchez (57 years old | French nationality)

Frederic Sanchez is the chairman of Fives' executive board, an industrial engineering group with heritage of over 200 years of engineering excellence and expertise. Fives designs and supplies machines, process equipment and production lines for the world's largest industrial groups in various sectors such as aluminium, steel, glass, automotive, logistics, aerospace, cement and energy, in both developing and developed countries. Mr. Sanchez started his career in 1985 with Renault in Mexico, then in the USA. In 1987 he became a mission manager at Ernst & Young. In 1990 he joined Fives-Lille group, in which he held various positions before being appointed chief financial officer in 1994 and becoming chief executive officer in 1997. In 2002, the "Compagnie de Fives-Lille" (renamed Fives in 2007) became a company with a Management and Supervisory Board chaired by Frederic Sanchez. Within MEDEF (French Business Confederation), Mr. Sanchez is President of MEDEF International, President of the cluster "Internationalization & Channels" and President of the Council of Entrepreneurs France-Vietnam, France-Cambodia and France-Burma. Mr. Sanchez is also the Chairman of the Supervisory Board of Cameron France Holding (CPI's parent company), a member of the Supervisory Board of Saur (Hime Group), an administrator of Primagaz and Ubifrance and honorary co-president of the Alliance Industrie du Futur. Mr. Sanchez graduated from HEC Business School (1983) and Sciences-Po Paris (1985) and he also holds a Master Degree in Economics from Université Paris-Dauphine (1984). Mr. Frederic Sanchez does not hold any share or right to acquire shares in the Company's share capital.

The appointment of Mr. Sanchez as member of the Supervisory Board is being proposed on the basis of his specific expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform the activities as member of the Supervisory Board.

Agenda item 12 - Voting item

To appoint Mr. Maurizio Tamagnini as a member of the Supervisory Board for a three-year term effective as of the AGM to expire at the end of the 2020 AGM.

Shareholders' information:

Mr. Maurizio Tamagnini (51 years old | Italian nationality)

Mr. Maurizio Tamagnini has been a member of the Supervisory Board since June 2014. He serves on the Supervisory Board's Nominating and Corporate Governance Committee and chairs its Compensation Committee and Strategic Committee. Mr. Tamagnini is currently Chief Executive Officer of FSI Sgr Spa, an asset management company participated, with a significant stake, among others, by Cassa depositi e prestiti Spa (CDP), which is 80% controlled by the Italian Government. FSI Sgr Spa manages a fund, not yet established, specialized on growth equity investments in Italian midmarket companies with development potential. He is non-executive Chairman of FSI Investimenti Spa, which is controlled 77% by CDP. Until 31 March 2016, Mr. Tamagnini was Chief Executive Officer and Chairman of the Investment Committee of Fondo Strategico Italiano Spa (now CDP Equity Spa), an investment company sponsored by CDP. He was previously Southern European Manager of the Corporate & Investments Banking division of Bank of America Merrill Lynch and a member of the Executive Committee of Bank of America Merrill Lynch for the EMEA region. Mr. Tamagnini has gained over 25 years of experience in the financial sector specializing in the areas of Corporate Finance, Private Equity, Debt and Equity. Until 21 April 2016, he was Chairman of the Joint Venture between CDP Equity and Qatar Holding (IQ Made in Italy Investment Company Spa) with capital endowment of up to €2 billion in total for investments in the food, brands, furniture & design and tourism sectors. Mr. Tamagnini is also a member of the Advisory Board of RDIF (the Russian Direct Investment Fund). He holds a degree in International Monetary Economics from Bocconi University in Milan and has also studied at the Rensselaer Polytechnic Institute - Troy in New York, USA. Mr. Tamagnini does not hold any share or right to acquire shares in the Company's share capital.

The re-appointment of Mr. Tamagnini as member of the Supervisory Board is being proposed on the basis of his specific expertise, prior professional experience, soundness of judgment, ability to make analytical enquiries and willingness to devote the time required to adequately perform the activities as member of the Supervisory Board.

Agenda item 13 - Voting item

To approve the new four-year Unvested Stock Award Plan for the Management and Key Employees which will provide that stock awards may be granted under restricted criteria to selected employees. To authorize the Supervisory Board to approve the following grant of stock-based compensation to selected employees of us:

(i) the grant of stock-based compensation will be in the form of a right to acquire common shares out of the Company's treasury shares;

(ii) employees will receive stock-based compensation at no consideration;

(iii) the vesting conditions will be determined by the Supervisory Board or its Compensation Committee (on behalf of the Supervisory Board) and, as applicable, will relate to Company performance and continued service at STMicroelectronics;

(iv) the Supervisory Board has the authority to determine all other terms and conditions of the stock-based compensation grant including the right to authorize details of the stock-based compensation for specific groups of employees;

(v) the maximum number of stock awards under this new four-year Unvested Stock Award Plan for the Management and Key Employees shall be thirty two million (thirty two million common shares) for the four-year period, which number includes any Unvested Stock Awards granted to the President and CEO as part of his compensation during this period].

Shareholders' information:

The Unvested Stock Awards under the new four-year Unvested Stock Award Plan for the Management and Key Employees are intended to provide an incentive to selected employees of us to increase their efforts for the success of us by offering them an opportunity to obtain or increase their proprietary interest in the Company through the vesting of the relevant Unvested Stock Awards to be granted to them, provided any applicable predetermined and quantifiable criteria are met.

Agenda item 14 - Voting item

To authorize the Managing Board to acquire for a consideration on a stock exchange or otherwise up to such a number of fully paid-up common shares and/or preference shares in the Company's share capital as is permitted by law and the Articles of Association as per the moment of such acquisition for a price:

(i) per common share which at such moment is within a range between the par value of a common share and 110% of the average of the highest share price per common share on each of the five trading days prior to the acquisition date on respectively Euronext Paris, the New York Stock Exchange or Borsa Italiana, whichever average at such moment is the highest; and

(ii) per preference share which is equal to the par value of a preference share increased with an amount equal to the accrued but unpaid dividend on such preference share per the relevant repurchase date calculated in accordance with article 37 paragraph 2 sub e of the Company's Articles of Association;

all subject to the approval of the Supervisory Board, for a period of eighteen months following the AGM.

Shareholders' information:

During the 2016 AGM, the Managing Board, subject to the approval of the Supervisory Board was authorized to repurchase shares for a period of eighteen months as of the 2016 AGM. We propose to renew this authorization. This authorization is requested to offer the Managing Board with the approval of the Supervisory Board the possibility to repurchase, when it is in the best interest of the Company's shareholders and other stakeholders for creating long term value, a number of fully paid-up ordinary and/or preference shares, within the limit of the Articles of Association (which is set at 10% of the Company' issued share capital).

Agenda item 15 - Voting item

Delegation to the Supervisory Board of the authority to issue new common and preference shares, to grant rights to subscribe for such shares and to limit and/or exclude existing shareholders' pre-emptive rights on common shares for a period of eighteen months.

Shareholders' information:

To delegate to the Supervisory Board the authority to resolve: (i) upon the issuance of common and preference shares in the Company's share capital or to grant rights to subscribe for common and preference shares in the Company's share capital, up to a maximum of 10% of the Company's issued common share capital, as per 31 December 2016, increased with another 10% of the Company's issued common share capital, as per 31 December 2016, in case of mergers and acquisitions, but not exceeding the limits of the authorized share capital, and without limitation for preference shares; (ii) upon the terms and conditions of an issuance of common and preference shares; and (iii) upon limitation and/or exclusion of pre-emptive rights of existing shareholders upon issuance of common shares or rights to subscribe for such shares, all for a period of eighteen months effective as of the 2017 AGM.

Annex A

The table below summarizes the full schedule for the quarter dividends:

Quarter	Global Record Date	Ex-dividend Date in Europe	Payment Date in Europe	Ex-dividend Date in NYSE	NYSE Payment Date: on or after	Transfer between New York and Dutch registered shares restricted: From End of Business in Europe on:	Transfer between New York and Dutch registered shares restricted: Until Open of Business in NY on:
Q2 2017	27.Jun.17	26.Jun.17	28.Jun.17	23.Jun.17	05.Jul.17	26.Jun.17	28.Jun.17

On March 22nd 2017, the SEC adopted an amendment to shorten from three to two business days the standard settlement cycle for most broker-dealer securities transactions, starting from the 5th September, 2017. In consideration of the change which re-aligns the US settlement cycle to the European, the Company's schedule switches to a unique Ex-dividend date in the two markets.

Quarter	Ex-dividend Date	Global Record Date	Payment Date in Europe	NYSE Payment Date: on or after	Transfer between New York and Dutch registered shares restricted: From End of Business in Europe on:	Transfer between New York and Dutch registered shares restricted: Until Open of Business in NY on:
Q3 2017	18.Sep.17	19.Sep.17	20.Sep.17	26.Sep.17	18.Sep.17	20.Sep.17
Q4 2017	18.Dec.17	19.Dec.17	20.Dec.17	27.Dec.17	18.Dec.17	20.Dec.17
Q1 2018	19.Mar.18	20.Mar.18	21.Mar.18	27.Mar.18	19.Mar.18	21.Mar.18