



**Minutes of the Annual General Meeting of Shareholders of STMicroelectronics N.V.,  
held on June 21, 2013 at the Sofitel The Grand Hotel in Amsterdam, the  
Netherlands**

**1. Opening**

Mr. Didier Lombard, Chairman of the Supervisory Board and Chairman of the meeting, opened the Annual General Meeting of Shareholders of STMicroelectronics N.V. (the '**Company**') and welcomed all shareholders and all other persons who were entitled to attend the meeting present. He also introduced his fellow members of the Supervisory Board, Mr. Bruno Steve, Mr. Jean d'Arthuys, Mr. Alessandro Ovi, Mr. Ray Bingham, Mr. Martine Verluyten and Mr. Tom de Waard, as well as Mr. Jean-Georges Malcor and Mr. Alessandro Rivera who attended the meeting by conference call. Furthermore, the Chairman introduced Mr. Carlo Bozotti, President and Chief Executive Officer of STMicroelectronics, as well as Mr. Mario Arlati, Chief Financial Officer of STMicroelectronics, and the following guests:

- (a) Ms. Janet Davidson, proposed member of the Supervisory Board;
- (b) Ms. Sandra Lombert of TMF Netherlands, who acted as the Company's registrar in the Netherlands;
- (c) Mr. Remco Bosveld, the Company's legal counsel in the Netherlands; and
- (d) Mr. Ilja Linnemeijer of PwC, the Company's independent external auditor.

The Chairman stated for the record that the official language of the meeting would be the English language.

The Chairman appointed Mr. Bosveld as the secretary of the meeting and informed the meeting that for the purpose of preparing the minutes of the meeting, the proceedings at the meeting would be recorded. He kindly requested the persons present to use the microphone available to state their name and the shareholder they represented when addressing the meeting.

In connection with the orderly conduct of the meeting, the Chairman noted that during an agenda item only questions related to that specific item could be asked.

The Chairman recorded that the meeting was duly convened through the publication of a notice to attend the meeting in NRC Handelsblad in the Netherlands, in Les Echos in France and in Il Sole 24 Ore in Italy on April 26, 2013 and by publication of the convocation notice on the Company's website as of April 26, 2013.

The Chairman noted that shareholders and other persons entitled to attend meetings who were registered in the Company's shareholders' register were called by letters to their address as stated in the register.

The Chairman informed the meeting that shareholders and other persons entitled to attend meetings who were registered as such on Friday, May 24, 2013, at the close of business were authorized to participate in and vote at the meeting without the obligation to have their shares blocked until the close of the meeting. Registration for the meeting was possible until Friday, June 14, 2013.

The Chairman recorded that at the record date for the meeting the total issued share capital of the Company amounted to 910,607,305 common shares of EUR 1.04 each and the number of voting rights amounted to 890,427,458.

The Chairman informed the meeting that the agenda, copies of the statutory annual accounts, which included the reports of the Managing Board and the Supervisory Board, the proposed resolutions, including shareholders' information and the personal data of Ms. Davidson and Mr Ovi as proposed members of the Supervisory Board, were deposited for inspection by shareholders at the Company's offices at Schiphol in the Netherlands as of April 26, 2013. The Chairman noted that the documents were also made available on the Company's website as of the same date.

The Chairman recorded that according to the attendance list in total 498,459,804 shares were represented at the meeting representing 55.98% of the issued and outstanding share capital so that, as a consequence, decisions could validly be taken.

## **2. Report of the Managing Board on our 2012 financial year**

The Chairman moved to the second item on the agenda, the report of the Managing Board on the Company's 2012 financial year. The Chairman informed the meeting that the report of the Managing Board was prepared in accordance with the articles of association of the Company and Dutch law. He continued that the report was included in its entirety in the Company's statutory annual accounts which were made available at the Company's offices at Schiphol in the Netherlands as well as on the Company's website.

The Chairman thanked the Managing Board for the report and invited Mr. Bozotti to present the Company's results over 2012.

Mr. Bozotti subsequently presented the Company's results over 2012<sup>1</sup>.

The Chairman thanked Mr. Bozotti for his presentation and gave the persons present at the meeting the opportunity to ask questions regarding the Managing Board report and Mr. Bozotti's presentation.

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<sup>1</sup> The presentation of Mr. Bozotti is included in the Company's statutory annual report on pages 5 and 6.

Since there were no questions, the Chairman concluded the item.

### **3. Report of the Supervisory Board on our 2012 financial year**

The Chairman moved to the third item on the agenda, the report of the Supervisory Board, including the remuneration report of the Supervisory Board, on the 2012 financial year. The Chairman informed the meeting that the report was included in the statutory annual accounts of the Company.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the Supervisory Board report.

Since there were no questions, the Chairman concluded the item.

#### **4.a. Adoption of our statutory annual accounts for our 2012 financial year**

The Chairman moved to the next item on the agenda, the adoption of the statutory annual accounts for the 2012 financial year.

The Chairman informed the meeting that the Company's statutory annual accounts had been prepared in English and that the statutory annual accounts had been audited by the Company's independent external auditor, PwC.

The Chairman gave the persons present at the meeting the opportunity to discuss and ask questions regarding the statutory annual accounts, thereby specifically noting that Mr. Linnemeijer of PwC was available to answer any questions regarding his opinion with respect to the Company's statutory annual accounts as well as his audit activities.

Since there were no questions, the Chairman proposed to adopt the Company's statutory annual accounts over the 2012 financial year, drawn up by the Managing Board in the English language and examined and audited by the external auditors, PwC.

498,207,973 votes (99.99%) were cast in favor of the proposal and 53,888 votes (0.01%) were cast against the proposal. There were 197,943 abstentions.

The Chairman recorded that the proposal was adopted.

#### **4.b. Dividend policy**

The Chairman moved to the next item on the agenda, the revised dividend policy. The Chairman stated that in previous years the annual shareholders' meeting resolved, upon the proposal of the Supervisory Board, once per year upon an annual dividend to be paid in four equal installments. The Chairman mentioned that - to better align the Company's dividend policy to the actual market evolution and macro-economic environment - it was proposed that the dividend would be decided on a semi-annual

basis and paid quarterly from 2013 onwards. In connection therewith the Company's dividend policy would read as follows:

- *STMicroelectronics seeks to use its available cash in order to develop and enhance its position in a competitive semiconductor market while at the same time managing its cash resources to reward its shareholders for their investment and trust in STMicroelectronics;*
- *Based on its results, projected capital requirements as well as business conditions and prospects, the Managing Board proposes on a semi-annual basis to the Supervisory Board, whenever deemed possible and desirable in line with STMicroelectronics' objectives and financial situation, the distribution of a quarterly cash dividend, if any; and*
- *The Supervisory Board, upon the proposal of the Managing Board, decides or proposes on a semi-annual basis, in accordance with this policy, which portion of the profits or distributable reserves shall not be retained in reserves to fund future growth or for other purposes and makes a proposal concerning the amount, if any, of the quarterly cash dividend.*

The Chairman gave the persons present at the meeting the opportunity to discuss and ask questions regarding the revised dividend policy.

Since there were no questions, the Chairman concluded the item.

#### **4.c. (i) Allocation of result**

The Chairman moved to the next item on the agenda, the proposal to allocate the loss for the financial year 2012 to the retained earnings of the Company.

The Chairman gave the persons present at the meeting the opportunity to discuss and ask questions regarding the proposed allocation of the result.

Since there were no questions, the Chairman proposed to adopt the resolution to allocate the loss for the financial year 2012 to the retained earnings of the Company.

498,236,504 votes (99.99%) were cast in favor of the proposal and 73,206 votes (0.01%) were cast against the proposal. There were 150,094 abstentions.

The Chairman recorded the proposal was adopted.

#### **(ii) Adoption of a dividend**

The Chairman moved to the next item, the proposal to distribute, in line with the revised dividend policy, a quarter dividend in cash of US \$0.10 per common share in the second quarter of 2013 and a quarter dividend in cash of US \$0.10 per common share in the third quarter of 2013.

The Chairman recorded that information on the ex-dividend dates, the record dates and the payment dates regarding the first and second dividend payments were included as annex A to the proposed resolutions to the agenda of the meeting and that a further shareholders' meeting would be held in the fourth quarter of 2013 to decide on the fourth quarter 2013 and first quarter 2014 dividends.

The Chairman gave the persons present at the meeting the opportunity to discuss and ask questions regarding the proposed dividend distribution.

Since there were no questions, the Chairman proposed to adopt the proposed dividend distribution.

491,407,873 votes (98.61%) were cast in favor of the proposal and 6,931,376 votes (1.39%) were cast against the proposal. There were 120,555 abstentions.

The Chairman recorded that the proposal was adopted.

#### **4.d. Discharge of the sole member of our Managing Board**

The Chairman moved to the next item on the agenda, the discharge of the sole member of the Managing Board for his management during the 2012 financial year.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the proposed discharge.

Since there were no questions, the Chairman proposed to adopt the proposal.

490,884,017 votes (98.52%) were cast in favor of the proposal and 7,351,189 votes (1.48%) were cast against the proposal. There were 224,598 abstentions.

The Chairman recorded that the proposal was adopted.

#### **4.e. Discharge of the members of our Supervisory Board**

The Chairman moved to the next item on the agenda, the discharge of the members of the Supervisory Board for their supervision.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the proposed discharge.

Since there were no questions, the Chairman proposed to adopt the proposal.

492,514,391 votes (98.85%) were cast in favor of the proposal and 5,721,074 votes (1.15%) were cast against the proposal. There were 224,339 abstentions.

The Chairman recorded that the proposal was adopted.

## **5. Approval of the stock-based portion of the compensation of our President and CEO**

The Chairman moved to the next item on the agenda, the approval of the delegation to the Supervisory Board of the power to grant Mr. C. Bozotti up to a maximum of 100,000 common shares, in the form of Unvested Stock Awards, for services to be rendered in 2013 as President and Chief Executive Officer, whereby the vesting of such Unvested Stock Awards would 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 the shareholders.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the approval of the stock-based portion of the compensation of the President and Chief Executive Officer.

Since there were no questions, the Chairman proposed to adopt the proposal.

368,790,648 votes (76.86%) were cast in favor of the proposal and 111,047,789 votes (23.14%) were cast against the proposal. There were 18,621,367 abstentions.

The Chairman recorded that the proposal was adopted.

## **6. Amendment of the compensation of the members of our Supervisory Board**

The Chairman moved to the next item on the agenda, the amendment of the compensation of the members of the Supervisory Board as follows:

1. The abolishment and termination of the stock-based compensation for members and professionals of the Supervisory Board as included in the three-year Stock-Based Compensation Plan for the members and professionals of the Supervisory Board, as approved by the Annual General Meeting of Shareholders held in 2011; and
2. The amendment of the annual cash compensation of the members of the Supervisory Board, as approved by the Annual General Meeting of Shareholders held in 2008, as follows:
  - a. setting the annual compensation of the Chairman and the Vice-Chairman of the Supervisory Board at EUR 130,000;
  - b. setting the annual compensation of the other members of the Supervisory Board at EUR 70,000;
  - c. to set the annual compensation of the Chairman of the Audit Committee at EUR 60,000;
  - d. setting the annual compensation of the other members of the Audit Committee EUR 7,500;
  - e. setting the annual compensation of each member of the Compensation

- Committee, the Nomination and Corporate Governance Committee and the Strategic Committee at EUR 3,500;
- f. setting the attendance fee per meeting of the Supervisory Board as well as per Committee meeting as follows:
- (i) attendance in person at EUR 1,500;
  - (ii) attendance by videoconference at EUR 1,000; and
  - (iii) attendance by conference call at EUR 500.

There would be no limitation on the number of Committees on which a member of the Supervisory Board could serve.

The Chairman explained that by and through the termination of the stock-based compensation of the members of the Supervisory Board, the maximum total compensation for members of the Supervisory Board would decrease significantly.

Furthermore, the Chairman mentioned that the abolishment and termination of the stock-based compensation for the members of the Supervisory Board was aimed at complying with the Dutch Corporate Governance Code and other international corporate governance standards.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the proposed amendment of the compensation of the members of the Supervisory Board.

Since there were no questions, the Chairman proposed to adopt the proposal.

478,610,823 votes (96.05%) were cast in favor of the proposal and 19,660,026 votes (3.95%) were cast against the proposal. There were 188,955 abstentions.

The Chairman recorded that the proposal was adopted.

#### **7.a. Appointment of Ms. Janet Davidson as a member of our Supervisory Board**

The Chairman moved to the next item on the agenda, the appointment of Ms. Janet Davidson as a member of the Supervisory Board for a three-year term effective as of June 21, 2013 and expiring at the end of the Annual General Meeting of Shareholders to be held in 2016.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the proposed appointment of Ms. Davidson as member of the Supervisory Board.

Since there were no questions, the Chairman proposed to adopt the proposal.

497,165,077 votes (99.79%) were cast in favor of the proposal and 1,063,555 votes (0.21%) were cast against the proposal. There were 231,172 abstentions.

The Chairman recorded that the proposal was adopted.

**7.b. Appointment of Alessandro Ovi as a member of our Supervisory Board**

The Chairman moved to the next item on the agenda, the appointment of Mr. Alessandro Ovi as a member of the Supervisory Board for a three-year term effective as of June 21, 2013 and expiring at the end of the Annual General Meeting of Shareholders to be held in 2016.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the proposed appointment of Mr. Ovi as member of the Supervisory Board.

Since there were no questions, the Chairman proposed to adopt the proposal.

390,166,139 votes (78.31%) were cast in favor of the proposal and 108,068,708 votes (21.69%) were cast against the proposal. There were 224,957 abstentions.

The Chairman recorded that the proposal was adopted.

**8. Approval of our new four-year Unvested Stock Award Plan for the Management and Key Employees**

The Chairman moved to the next item on the agenda, the approval of the new four-year Unvested Stock Award Plan for the Management and Key Employees, which would provide that stock awards may be granted under restricted criteria to selected employees. The Chairman mentioned that it was proposed to authorize the Supervisory Board to approve the grant of stock-based compensation to selected employees.

As reflected in the proposed resolution for this item of the agenda of the meeting:

- the grant of stock-based compensation would be in the form of a right to acquire common shares out of the Company's treasury shares;
- employees would receive stock-based compensation at no consideration;
- the vesting conditions would be determined by the Supervisory Board or its compensation committee (on behalf of the Supervisory Board) and, as applicable, would relate to Company performance and continued service at STMicroelectronics;
- the Supervisory Board would have 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; and
- the maximum number of stock awards under the new four-year Unvested Stock Award Plan for the Management and Key Employees would be twenty-eight million (twenty-eight million common shares) for the four-year period, which number included any Unvested Stock Awards granted to the President and Chief Executive Officer as part of his compensation during this period.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the approval of the new four-year Unvested Stock Award Plan for the Management and Key Employees.

Since there were no questions, the Chairman proposed to adopt the proposal.

368,062,132 votes (76.67%) were cast in favor of the proposal and 112,014,189 votes (23.33%) were cast against the proposal. There were 18,383,483 abstentions.

The Chairman recorded that the proposal was adopted.

**9. Authorization to our Managing Board, for eighteen months as of our 2013 AGM, to repurchase our shares, subject to the approval of our Supervisory Board**

The Chairman moved to the final voting item on the agenda, the authorization to the Managing Board to acquire for a consideration on a stock exchange or otherwise common shares and/or preference shares in the capital of the Company as would be permitted by law and the Company's articles of association as per the moment of such acquisition for a price:

- (i) per common share which at such moment would be 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 would be 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 as of June 21, 2013.

The Chairman noted that this authorization was requested to offer the Managing Board with the approval of the Supervisory Board the possibility to repurchase shares up to 10% of the Company's issued share capital when it is in the best interest of the Company's shareholders and other stakeholders for creating long-term value.

The Chairman gave the persons present at the meeting the opportunity to ask questions regarding the authorization to repurchase shares in the capital of the Company.

Since there were no questions, the Chairman proposed to adopt the proposal.

497,668,316 votes (99.87%) were cast in favor of the proposal and 649,322 votes (0.13%) were cast against the proposal. There were 142,166 abstentions.

The Chairman recorded that the proposal was adopted.

**10. Question time**

The Chairman recorded that the meeting enabled the Managing Board to implement in as far as necessary the issues addressed at the meeting.

The Chairman gave the persons present at the meeting the opportunity to ask any other questions which they had regarding the Company.

Since there were no questions, the Chairman proceeded to the last item on the agenda, the close of the meeting.

**11. Close**

The Chairman thanked all persons present at the meeting for their attendance. On behalf of the entire Supervisory Board and Mr. Bozotti, the Chairman expressed his hope that the persons present would also attend the following shareholders' meeting and wished everyone a safe trip home. Subsequently, the Chairman closed the meeting.

Signed by: D. Lombard (Chairman) and R. Bosveld (Secretary)