



STMICROELECTRONICS N.V.
2015 Annual General Meeting of Shareholders
(the “AGM”)

EXPLANATORY NOTES

Our Supervisory Board proposes:

Agenda item 2 - Discussion item

Shareholders are invited to discuss the report of the Managing Board on our 2014 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 2014 statutory annual accounts and the deviations from the Dutch Corporate Governance Code included in chapter 5 of the 2014 statutory annual accounts. The 2014 statutory 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 our 2014 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 2014 statutory annual accounts in chapter 4. The 2014 statutory 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 our remuneration policy in our statutory annual accounts for our 2014 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 as well as other information on remuneration included in the 2014 statutory annual accounts in paragraph 4.8. The 2014 statutory annual accounts are published on the Company’s website.

Agenda item 4-b - Voting item

To adopt our statutory annual accounts for our 2014 financial year, as drawn up by our Managing Board, examined and audited by our independent external auditors, PricewaterhouseCoopers Accountants N.V., and approved by our Supervisory Board. Our statutory annual accounts, which include the reports of our Managing and Supervisory

Boards, have been prepared in English consistent with our prior practice, and in accordance with IFRS Accounting Standards as adopted by the European Union, as IFRS constitute our statutory reporting standards.

Agenda item 4-c - Discussion item

In accordance with best practice provision IV.1.4 of the Dutch Corporate Governance Code, the Company's policy on additions to reserves and distributions of dividends (the "Dividend Policy") is dealt with and explained as a separate agenda item at the AGM.

Our Supervisory Board proposes that the dividend is decided on an annual basis and paid quarterly in four equal distributions, from 2015 onwards.⁽¹⁾

In view of the proposal to resolve on an annual basis upon the quarterly dividend distributions, if any, the Company's new Dividend Policy reads 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 STMicroelectronics;
- Based on its results, projected capital requirements as well as business conditions and prospects, the Managing Board proposes on an 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 an 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.

Agenda item 4-d - Voting item

To distribute, in line with our Dividend Policy, a quarter dividend in cash of:

- US\$ 0.10 per common share in the second quarter of 2015,
- US\$ 0.10 per common share in the third quarter of 2015,
- US\$ 0.10 per common share in the fourth quarter of 2015, and
- US\$ 0.10 per common share in the first quarter of 2016.⁽¹⁾

Shareholders' information:

⁽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.

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

Agenda item 4-e - Voting item

To discharge the sole member of our Managing Board for his management during our 2014 financial year.

Shareholders' information:

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

Agenda item 4-f - Voting item

To discharge the members of our Supervisory Board for their supervision during our 2014 financial year.

Shareholders' information:

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

Agenda item 5 - 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 2015 as our 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 our 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 our 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 our Supervisory Board upon the recommendation of its Compensation Committee are met. Such criteria are based on the evolution of our sales as compared to a benchmark of selected semiconductor companies over a 12-month period, the evolution of our operating margin as compared to a benchmark of selected semiconductor companies over a 12-month period, and our return on net assets (RONA) as compared to the Company's predetermined annual budget over a 12-month period (each equally weighted at 33.33%. 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, provided that Mr. Bozotti is still an employee at such time (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 2014 statutory annual accounts in paragraph 4.8, where past performance under this plan can be viewed. The 2014 statutory annual accounts are published on the Company's website.

Agenda item 6 - Voting item

To appoint Mr. Nicolas Dufourcq as a member of our Supervisory Board, for a three-year term effective as of the AGM to expire at the end of our 2018 AGM, in replacement of Mr. Jean d'Arthuys whose mandate will terminate as of the AGM.

Shareholders' information:

Mr. Nicolas Dufourcq (51 years old | French nationality)

Mr. Nicolas Dufourcq is a graduate of HEC (Hautes Etudes Commerciales) and ENA (Ecole Nationale d'Administration). He began his career at the French Ministry of Finance and Economics before joining the Ministry of Health and Social affairs in 1992. In 1994, he joined France Telecom, where he created the Multimedia division, before going on to chair Wanadoo, the firm's Internet and Yellow Pages subsidiary. After joining the Capgemini Group in 2003, he was made responsible for the Central and Southern Europe region, successfully leading their financial turnaround. He was appointed Chief Financial Officer of the Group and member of the Executive Committee in September 2004. In 2005, he was named deputy Chief Executive Officer in charge of finance, risk management, IT, delivery, purchases and LEAN program and, in 2007, also in charge of the follow-up of the group's major contracts. On February 7, 2013, Mr. Dufourcq was appointed Chief Executive Officer of BPI group (Banque Publique d'Investissement) by a decree of the French President François Hollande. Mr. Dufourcq does not hold any common shares and has no rights to acquire common shares in our share capital.

The appointment of Mr. Nicolas Dufourcq as member of our Supervisory 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 the activities as member of our Supervisory Board.

Agenda item 7 - Voting item

To re-appoint Ms. Martine Verluyten as a member of our Supervisory Board for a three-year term effective as of the AGM to expire at the end of our 2018 AGM.

Shareholders' information:

Ms. Martine Verluyten (63 years old | Belgium nationality)

Martine Verluyten has been a member of our Supervisory Board since May 2012. Ms. Verluyten serves on our Supervisory Board's Audit Committee and has been its Chair since April 22, 2013. Until 2011, Ms. Verluyten acted as CFO of Umicore N.V. based in Brussels. Previously she was CFO of Mobistar N.V. (2001-2006), having initially joined Mobistar in 2000 as Group Controller. She had earlier worked at Raychem since 1976, holding various management positions during her 23 year tenure, from Manager European Consolidations (1976-1979), to General Accounting Manager based in the US (1979-1983). She was then promoted to Division Controller Telecom Division Europe from 1983 to 1990. In 1990, she was appointed Finance & Administration Director back in Europe, then in 1995, Europe Controller Finance & Administration Director until 1999. Ms. Verluyten is also member of the board of directors of Thomas Cook plc, 3i plc and GBL (group Bruxelles Lambert). Ms. Verluyten began her career in 1973 at KPMG as an Auditor. Ms. Verluyten holds 10,000 common shares and has the right to acquire 5,000 common shares in our share capital.

The re-appointment of Ms. Verluyten as member of our Supervisory Board is being proposed on the basis of her 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 the activities as member of our Supervisory Board.

Agenda item 8 - Voting item

To appoint EY as our external auditor for the 2016, 2017, 2018 and 2019 financial years.

Shareholders' information:

It is proposed to appoint EY as the Company's new external auditor for the 2016, 2017, 2018 and 2019 financial years. The proposal to appoint EY is based on a tender process under leadership of the Audit Committee of the Supervisory Board. The written tender offers, followed by presentations to members of senior management and members of the Audit Committee, led to a decision of the Supervisory Board to propose and recommend the appointment of EY. The decisive factors to recommend EY are the fee proposal, the strong track record of the EY team, and the audit approach of EY.

Agenda item 9 - Voting item

To delegate to our Supervisory Board the authority to resolve: (i) upon the issuance of shares in the Company's share capital or to grant rights to subscribe for common 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 2014, increased with another 10% of the Company's issued common share capital, as per 31 December 2014, in case of mergers and acquisitions, but not exceeding the limits of our authorized share capital; (ii) upon the terms and conditions of an issuance of common shares; and (iii) upon limitation and/or exclusion of

pre-emptive rights of existing shareholders upon issuance of common shares, all for a period of eighteen months effective as of our 2015 AGM.

Shareholders' information:

At our 2014 AGM our Supervisory Board was delegated, for a period of eighteen months, as of June 13, 2014, the authority to decide upon the issue of new shares within the limits approved at that meeting. This decision was taken upon the recommendation of our Managing and Supervisory Boards in line with past Company practice with a view to allowing us to benefit from the best available conditions for our financing requirements as may be offered by international capital markets so as to best serve our interest and that of all our shareholders and other stakeholders in the most efficient manner as well as to issue shares or grants to subscribe for shares in respect of share based compensation for employees. We propose to renew such delegation in favor of our Supervisory Board in the manner and for the period as referred in the resolution mentioned above.

Agenda item 10 - Voting item

To authorize our 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 our share capital as is permitted by law and our 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 our Articles of Association;

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

Shareholders' information:

During our 2014 AGM, our Managing Board, subject to the approval of our Supervisory Board was authorized to repurchase shares for a period of eighteen months as of our 2014 AGM. We propose to renew this authorization. This authorization is requested to offer our Managing Board with the approval of our 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 our Articles of Association (which is set at 10% of our issued share capital).

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:	Until Open of Business in NY on:
Q2 2015	16-Jun-15	15-Jun-15	17-Jun-15	12-Jun-15	23-Jun-15	15-Jun-15	17-Jun-15
Q3 2015	22-Sep-15	21-Sep-15	23-Sep-15	18-Sep-15	29-Sep-15	21-Sep-15	23-Sep-15
Q4 2015	15-Dec-15	14-Dec-15	16-Dec-15	11-Dec-15	22-Dec-15	14-Dec-15	16-Dec-15
Q1 2016	22-Mar-16	21-Mar-16	23-Mar-16	18-Mar-16	29-Mar-16	21-Mar-16	23-Mar-16