



Proposed resolutions and shareholders' information
for the Annual General Meeting of Shareholders of STMicroelectronics N.V. (the
"Company") to be held on April 27, 2006 in Amsterdam

Our Supervisory Board proposes:

Agenda item 4-a - **Resolution 1**

To adopt the annual accounts for the 2005 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. The annual accounts have been prepared in English, consistent with the Company's prior practice and in accordance with IFRS Accounting Standards, as IFRS constitutes the Company's statutory reporting standards.

Agenda item 4-b - **Resolution 2**

To distribute a dividend in cash of US \$0.12 per common share in accordance with our dividend policy as communicated.

Agenda item 4-c - **Resolution 3**

To discharge the sole member of our Managing Board for his management during the 2005 financial year.

Agenda item 4-d - **Resolution 4**

To discharge the members of our Supervisory Board for their supervision during the 2005 financial year.

Agenda item 5 - **Resolution 5**

- a. To appoint Mr. Didier Lamouche as a member of our Supervisory Board for a three-year term effective as of our 2006 AGM to expire at the end of our 2009 AGM.
- b. To appoint Mr. Doug Dunn as a member of our Supervisory Board for a three-year term effective as of our 2006 AGM to expire at the end of our 2009 AGM.
- c. To appoint Mr. Robert White as a member of our Supervisory Board for a one-year term effective as of our 2006 AGM to expire at the end of our 2007 AGM.

Agenda item 6 - **Resolution 6**

To maintain the compensation of the Chairman and the Vice Chairman of our Supervisory Board at US \$150,000 per annum; to maintain the compensation of the President of our Audit Committee at US \$150,000 per annum; to maintain the compensation of the other members of our Supervisory Board at US \$75,000 per annum; to maintain the compensation of the members of our Audit Committee at US \$10,000 per annum; to maintain the compensation of the members of our Compensation Committee at US \$5,000 per annum; to maintain the compensation of the members of our Strategic Committee at US \$5,000 per annum; to



maintain the compensation of the members of our Nominating and Corporate Governance Committee at US \$5,000 per annum; to maintain the attendance fee per meeting of our Supervisory Board and of any Committee of our Supervisory Board at US \$2,000 (with no limitation on the number of Committees on which Supervisory Board members may serve); and to maintain the attendance fees per meeting by telephone or videoconference at US \$500.

Agenda item 7 - Resolution 7 and shareholders' information

To approve the delegation to our Supervisory Board of the power to grant Mr. C. Bozotti up to a maximum number of 100,000 common shares in Stock-Based Compensation for services to be rendered in 2006 as our President and CEO in Stock-Based Compensation, whereby the grant of such Stock-Based Compensation 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.

The Stock-Based Compensation is intended to provide an incentive to our President and CEO to increase his efforts for the success of our Company by offering him an opportunity to obtain or increase his proprietary interest in our Company through the grant of the aforementioned Stock-Based Compensation.

Agenda item 8 - Resolution 8 and shareholders' information

To authorize our Supervisory Board to approve the following grant of Stock-Based Compensation to our employees:

- the grant of Stock-Based Compensation will be in the form of a right to acquire common shares out of our existing 13,400,000 treasury shares;
- employees will receive Stock-Based Compensation at no consideration;
- the vesting conditions will be determined by our Supervisory Board or its Compensation Committee (on behalf of our Supervisory Board) and will relate to Company performance and continued service at ST; and
- our Supervisory Board has the authority to determine all other terms of the Stock-Based Compensation grant including the right to authorize details of the Stock-Based Compensation for specific groups of employees

The Stock-Based Compensation is intended to provide an incentive to our employees to increase their efforts for the success of our Company by offering them an opportunity to obtain or increase their proprietary interest in our Company through the grant of the aforementioned Stock-Based Compensation.

Agenda item 9 - Resolution 9 and shareholders' information

To designate our Supervisory Board as the corporate body authorized to resolve upon issuance of any number of shares as comprised in the authorized share capital of the Company as this shall read from time to time, upon the terms and conditions of an



issuance of shares, upon limitation and/or exclusion of pre-emptive rights of existing shareholders upon issuance of shares and upon the granting of rights to subscribe for shares all for a five-year period as of the date of our 2006 AGM.

During our 2004 AGM, our Supervisory Board was designated as the authority empowered to decide upon the issue of new shares within the limit of our authorized share capital referred to in Article 3 of our Articles of Association. This decision was taken upon the recommendation of our Managing and Supervisory Boards, as referred to in Article 3 of our Articles of Association, in line with past Company practice, with a view to allowing the Company to benefit from the best available conditions for our financing offered by international capital markets that serve our interest and that of all of our shareholders and other stakeholders in the most efficient manner. We propose to renew such designation in favor of our Supervisory Board for a new five-year period.