

STMICROELECTRONICS NV

MEETING DATE	Wed, 17 Jun 2020 11:00 am	TYPE	AGM	ISSUE DATE	Fri, 05 Jun 2020
MEETING LOCATION	WTC, Tower H, 6th Floor, Schiphol Boulevard 265, 1118 BH Schiphol, the Netherlands				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Semiconductors and related devices				
FYE	31 Dec 2019				

PROPOSALS		ADVICE
1	Open Meeting Non-voting agenda item.	Non-Voting
2	Receive Report of Management Board Non-voting agenda item.	Non-Voting
3	Receive Report of Supervisory Board Non-voting agenda item.	Non-Voting
4.A	Approve the Remuneration Report It is proposed to approve the implementation of the remuneration report. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance.	Abstain
4.B	Approve Remuneration Policy for Supervisory Board It is proposed to approve the remuneration policy for the supervisory Board. The compensation for the directors include: an annual fee, attendance fee and reimbursement of expenses, as applicable. 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. Acceptable proposal support is recommended.	For
4.C	Approve Remuneration Policy for Management Board It is proposed to approve the remuneration policy for the Management Board. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, the company has not disclosed quantified targets for performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. On balance, abstention is recommended.	Abstain
4.D	Approve Financial Statements Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
4.E	Approve the Dividend The Board proposes a dividend of USD 0.168 per share. The dividend is covered by earnings. Acceptable proposal.	For
4.F	Approve Discharge of Management Board Standard proposal. No serious governance concerns have been identified. Support is recommended.	For
4.G	Approve Discharge of Supervisory Board Standard proposal. No serious governance concerns have been identified. Support is recommended.	For

4.H	Ratify Ernst & Young as Auditors It is proposed to appoint the auditor for 2020 through to the 2023 financial year.	For
5	Approve Restricted Stock Grants to President and CEO It is proposed to grant the board authority to pay remuneration to the President and CEO Mr Jean- Marc Chery up to a maximum number of 100,000 common shares, in the form of Unvested Stock Awards, for services to be rendered in 2020, instead of cash. This proposal does not constitute a request for additional remuneration. Regardless of whether the corresponding variable remuneration may be considered excessive, it is preferable that such amount be paid in shares rather than cash, in order to align the directors' interests with that of shareholders. On aggregate, support is recommended.	For
6	Elect Ana de Pro Gonzalo to Supervisory Board Independent Non-Executive Director.	For
7	Elect Yann Delabriere to Supervisory Board Independent Non-Executive Director.	For
8	Re-elect Heleen Kersten to Supervisory Board Independent Non-Executive Director.	For
9	Re-elect Alessandro Rivera to Supervisory Board Non-Executive Director. Not considered independent as the director was an executive for the Italian Ministry of Economy and Finance in Italy until 2018, which is a significant shareholder of the company through STMicroelectronics Holding N.V. There is sufficient independent representation on the Board, however he is a non independent member of a committee which does not meet Triodos guidelines.	Oppose
10	Re-elect Frederic Sanchez to Supervisory Board Independent Non-Executive Director. Although there are concerns over potential aggregate time commitments, this director has attended all Board and committee meetings during the year under review. On balance, support is recommended.	For
11	Re-elect Maurizio Tamagnini to Supervisory Board Non-Executive Director. Not considered independent as the director was CEO of FSI (Fondo Strategico Italiano) a holding of the Italian Ministry of the Economy and Finance. The Italian State holds a significant shareholding of the company's share through STMicroelectronics Holding N.V. There is sufficient independent representation on the Board, however he is a non independent member of a committee which does not meet Triodos guidelines.	Oppose
12	Authorise Share Repurchase It is proposed to authorise the Board to purchase Company's shares until next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended.	Oppose
13.A	Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital and Exclude Pre-emptive Rights It is proposed to authorize the Board to issue shares without pre-emptive rights until next AGM. The proposed amount of shares issued is less than 10% of the current share capital. Meets guidelines.	For
13.B	Grant Board Authority to Issue Shares Up To 10 Percent of Issued Capital in Case of Merger or Acquisition and Exclude Pre-emptive Rights Proposed authority to issue up to 10% of the share capital to be used in exchanges in times of public offer initiated by the company. At this time, the company has not disclosed specific plans to future exchange offers. As the proposed authority exceeds guidelines, and in absence of specific reasons, opposition is recommended.	Oppose
14	Allow Questions Non-voting agenda item.	Non-Voting
15	Close Meeting Non-voting agenda item.	Non-Voting

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Researcher: Menelaous Paloumpis
Email: pircresearch@pirc.co.uk

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Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
<http://www.pirc.co.uk>

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