

Date: December 3, 2004

By: /s/ JOSEPH F. HUBACH

Joseph F. Hubach
Senior Vice President,
Secretary and
General Counsel

COMPENSATION OF BOARD MEMBERS

The Board, upon recommendation from the Governance and Stockholder Relations Committee, will establish appropriate compensation for Board members from time to time. Until a change appears appropriate, members of the Board of Directors of Texas Instruments Incorporated who are not officers of TI will receive an annual retainer of \$70,000; the Chair of the Audit Committee will receive an additional annual retainer of \$10,000, the Chair of the Compensation Committee will receive an additional annual retainer of \$5,000 and the Chair of the Governance and Stockholder Relations Committee will receive an additional annual retainer of \$5,000.

From time to time, the Chairman of the Board may designate additional activities for Board members. In the event designated activities are undertaken by a Board member, compensation will be \$1,000 per day, prorated based on time actually spent on such activities.

Under the Texas Instruments 2003 Director Compensation Plan, new members of the Board who are not officers of TI will be awarded 2,000 restricted stock units, each representing one share of Company common stock. The restricted stock units will provide for issuance of Company common stock at the time of retirement from the Board or upon earlier termination of service from the Board after completing eight years of service or because of death or disability. Also, each member of the Board who is not an officer of TI will be annually granted a 10-year option to purchase 15,000 shares of TI common stock.