

STATEMENT OF RESPONSIBILITIES

COMPENSATION COMMITTEE THE BOARD OF DIRECTORS TEXAS INSTRUMENTS INCORPORATED

Purpose

The primary function of the Committee is to (1) discharge the Board's responsibilities relating to compensation of the Company's executive officers; (2) oversee the Company's compensation practices relating to other key personnel; (3) administer the Company's Long-Term Incentive Plans and Employees Stock Purchase Plans; (4) oversee the administration of the Company's pension, profit sharing, 401(k), deferred compensation, health and other employee benefit plans, together with all predecessor, successor and related plans (all such plans referred to in (3) and (4) above hereinafter referred to as "Plans"); and (5) review and recommend to the boards of directors of TI subsidiaries the institution and termination of, revisions in, and actions under employee benefit plans of subsidiaries.

In discharging its oversight role, the Committee is authorized to study or investigate any matter of interest or concern that the Committee deems appropriate. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser (together, "Adviser").

Membership

The Committee will be composed of not less than two (2) members of the Board, all of whom have been determined by the Board to be "independent" in accordance with the rules of The NASDAQ Stock Market ("NASDAQ") and TI's Corporate Governance Guidelines. The members and the chair and, if any, the vice chair shall be appointed by a majority of the whole Board.

A majority of the Committee will constitute a quorum for the transaction of business.

Duties and Responsibilities of the Committee

- A. The Committee will (1) review the performance of the chief executive officer (CEO) and determine his compensation and (2) set the compensation of executive officers of the Company (within the meaning of Rule 3b-7 of the Securities Exchange Act of 1934 as amended from time to time) other than the CEO.

In connection with determining the CEO's compensation, the Committee will consult with directors determined by the Board to be "independent" in accordance with NASDAQ rules and TI's Corporate Governance Guidelines. The CEO will not be present during deliberations or voting concerning his or her compensation.

- B. The Committee has authority to take action without specific prior approval of the Board, and periodically advise the Board on the delegation of the Committee's power, authority

- and rights (with authority to redelegate) with respect to the Plans as it deems appropriate to one or more committees of the Board established or delegated authority for such purpose, or (except with respect to compensation of the Company's executive officers) to one or more employees or committees of employees.
- C. The Committee will review and comment on the Compensation Discussion and Analysis and approve an annual Compensation Committee Report to be included in the Company's annual proxy statement.
 - D. The Committee will review the following and recommend action by the Board:
 - 1. The institution and termination of, revisions in, and actions under the Plans that (i) increase benefits only for officers of the Company or disproportionately increase benefits for officers of the Company more than other employees of the Company, or (ii) require or permit the issuance of stock of the Company.
 - 2. Revisions in and actions under the Plans that are required to be approved by the Board.
 - 3. Reservation of authorized and unissued Company common stock for issuance upon exercise of grants under the Plans, for use in payments of grants or awards under the Plans or as contributions or sales to any Plan trustee.
 - E. The Committee will be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the Committee. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any Adviser retained by the Committee.
 - F. To the extent required by the NASDAQ rules, the Committee will select, or receive advice from, an Adviser only after taking into consideration each of the following factors:
 - 1. The provision of other services to the Company by the Adviser's employer.
 - 2. The amount of fees received from the Company by the Adviser's employer as a percentage of that employer's total revenue.
 - 3. The policies and procedures of the Adviser's employer that are designed to prevent conflicts of interest.
 - 4. Any business or personal relationship of the Adviser with a member of the Committee.
 - 5. Any stock of the Company owned by the Adviser.
 - 6. Any business or personal relationship of the Adviser or the Adviser's employer with an executive officer of the Company.
 - G. Annually the Committee will (1) conduct a performance evaluation of the Committee and (2) review and assess the adequacy of this Statement of Responsibilities.
 - H. The Committee will engage in any other activities that it deems to be necessary or appropriate in furtherance of its purpose, duties and responsibilities.