

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1999 Commission File Number 1-3761

TEXAS INSTRUMENTS INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware

75-0289970

(State of Incorporation)

(I.R.S. Employer Identification No.)

12500 TI Boulevard, P.O. Box 660199, Dallas, Texas

75266-0199

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code 972-995-3773

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.00	New York Stock Exchange The Swiss Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

The aggregate market value of voting stock held by non-affiliates of the Registrant was approximately \$85,473,000,000 as of January 31, 2000.

814,528,072

(Number of shares of common stock outstanding as of January 31, 2000)

Parts I, II, III and IV hereof incorporate information by reference to the Registrant's proxy statement for the 2000 annual meeting of stockholders.

PART I

ITEM 1. Business.

General Information

Texas Instruments Incorporated ("TI" or the "company," including subsidiaries except where the context indicates otherwise) is headquartered in Dallas, Texas, and has manufacturing, design or sales operations in 27 countries. TI's largest geographic markets are in the United States, Asia, Japan and Europe. TI has been in operation since 1930.

The financial information with respect to TI's business segments and operations outside the United States, which is contained in the note to the financial statements captioned "Business Segment and Geographic Area Data" on pages B-23 through B-25 of TI's proxy statement for the 2000 annual meeting of stockholders, is incorporated herein by reference to such proxy statement.

Semiconductor

TI is a global semiconductor company and the world's leading designer and

supplier of digital signal processors and analog integrated circuits, the engines driving the digitization of electronics. These two types of semiconductor products work together in digital electronic devices such as digital cellular phones. Analog technology converts analog signals like sound, light, temperature and pressure into the digital language of zeros and ones, which can then be processed in real-time by a digital signal processor. Analog integrated circuits also translate digital signals back to analog. Digital signal processors and analog integrated circuits enable a wide range of new products and features for TI's more than 30,000 customers in commercial, industrial and consumer markets.

TI also is a world leader in the design and manufacturing of other semiconductor products. Those products include standard logic, application-specific integrated circuits, reduced instruction-set computing microprocessors, microcontrollers and digital imaging devices.

The semiconductor business comprised 84% of TI's 1999 revenues. TI's semiconductor products are used in a diverse range of electronic systems, including digital cell phones, computers, printers, hard disk drives, modems, networking equipment, digital cameras and video recorders, motor controls, autos, and home appliances. Products are sold primarily to original-equipment manufacturers and through distributors. TI's semiconductor patent portfolio has been established as an ongoing contributor to semiconductor revenues. Revenues generated from sales to TI's top four semiconductor customers accounted for approximately 23% of total semiconductor revenues in 1999.

The semiconductor business is intensely competitive, subject to rapid technological change and pricing pressures, and requires high rates of investment. TI is the leading supplier of digital signal processors and analog integrated circuits, yet faces strong competition in all of its semiconductor

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product lines. The rapid pace of change and technological breakthroughs constantly create new opportunities for existing competitors and start-ups, which can quickly render existing technologies less valuable.

In digital signal processors, TI competes with a growing number of large and small companies, both U.S.-based and international. New product development capabilities, applications support, software knowledge and advanced technology are the primary competitive factors in this business.

The market for analog integrated circuits is highly fragmented. TI competes with many large and small companies, both U.S.-based and international. Primary competitive factors in this business are the availability of innovative designs and designers, a broad range of process technologies and applications support and, particularly in the standard products area, price.

A Decline in the Market for Digital Signal Processors or Analog Integrated

Circuits Could Have a Material Adverse Effect on TI's Results of Operations.

TI has undertaken a strategy that focuses on developing and marketing digital signal processors and analog integrated circuits. TI has divested certain of its operations and acquired others and invested its resources with the view of furthering its focus on these products. While TI believes that focusing its efforts on digital signal processors and analog integrated circuits offers the best opportunity for TI to achieve its strategic goals and that TI has developed, and will continue to develop, a wide range of innovative and technologically advanced products, the results of TI's operations may be adversely affected in the future if the demand for digital signal processors and analog integrated circuits decreases or this market grows at a pace significantly less than that projected by management.

Other TI Businesses

In addition to semiconductors, TI has two other principal segments. The largest, representing 11% of TI's 1999 revenues, is Materials & Controls (M&C). This business sells electrical and electronic controls, electronic connectors, sensors, radio-frequency identification systems and clad metals into commercial and industrial markets. Typically the top supplier in targeted product areas, M&C faces strong multinational and regional competitors. The primary competitive factors in this business are product reliability, manufacturing costs and engineering expertise. The products of this business are sold directly to original-equipment manufacturers and through distributors. Revenues generated from sales to TI's top four M&C customers accounted for

approximately 16% of total M&C revenues in 1999.

Educational & Productivity Solutions (E&PS) represents 5% of TI's 1999 revenues and is a leading supplier of educational and graphing calculators. This business sells primarily through retailers and to schools through instructional dealers. TI's principal competitors in this business are Japan-

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and U.S.-based companies. Technology expertise, price and infrastructure for education and market understanding are primary competitive factors in this business. Revenues generated from sales to TI's top four E&PS customers accounted for approximately 35% of total E&PS revenues in 1999.

Acquisitions and Divestitures

From time to time TI considers acquisitions and divestitures that may strengthen its business portfolio. TI may effect one or more of these transactions at such time or times as it determines to be appropriate. In 1999, to support TI's focus on digital signal processors and analog integrated circuits, it acquired technology companies that brought unique expertise in key markets for these core product areas. In the first quarter, TI acquired Butterfly VLSI, Ltd., a developer of chipsets for the short-distance wireless market. In the second quarter, TI acquired Libit Signal Processing Ltd., a developer of cable modem chipsets. In the third quarter, TI acquired ATL Research A/S, a research and development company specializing in radio frequency engineering, primarily for cellular phones; and Telogy Networks, Inc., a developer of voice-over-Internet Protocol (VoIP) software. In the fourth quarter, TI acquired two companies to support its analog catalog portfolio: Unitrode Corporation, a designer and supplier of power supply control, interface and battery management components, all rapidly growing technologies necessary for portable devices, power systems and interface applications; and Power Trends, Inc., a supplier of point-of-use power solutions. The acquisition of Unitrode was accounted for as a pooling of interests in 1999. All prior periods have been restated. The acquisitions of Telogy and Power Trends were also accounted for as pooling of interests in 1999; the historical operations of these entities were not significant in relation to TI's consolidated operations on either an individual or an aggregate basis; consequently, prior period financial statements have not been restated for these acquisitions.

In addition, in the third quarter, TI's Materials & Controls business acquired Integrated Sensor Solutions, Inc., a developer of high performance sensors that are used in electrical control systems in the automotive market, and the Educational & Productivity Solutions business acquired Soft Warehouse, Inc., a maker of mathematical software for educational and professional use.

Backlog

The dollar amount of backlog of orders believed by TI to be firm was \$1827 million as of December 31, 1999 and \$1265 million as of December 31, 1998. Backlog orders are, under certain circumstances, subject to cancellation by the purchaser without penalty. Also, there is generally a short cycle between order and shipment. Accordingly, the company does not believe that its backlog as of any particular date is necessarily indicative of actual revenues for any future period.

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Raw Materials

TI purchases materials, parts and supplies from a number of suppliers. The materials, parts and supplies essential to TI's business are generally available at present and TI believes at this time that such materials, parts and supplies will be available in the foreseeable future.

Patents and Trademarks

TI owns many patents in the United States and other countries in fields relating to its business. The company has developed a strong, broad-based patent portfolio. TI also has several agreements with other companies involving license rights and anticipates that other licenses may be negotiated in the future. TI does not consider its business materially dependent upon any one patent or patent license, although taken as a whole, the rights of TI and the products made and sold under patents and patent licenses are important to TI's business.

TI owns trademarks that are used in the conduct of its business. These trademarks are valuable assets, the most important of which are "Texas Instruments," TI's corporate monogram and "TMS320."

Research and Development

TI's research and development expense was \$1333 million in 1999, compared with \$1225 million in 1998 and \$1556 million in 1997. Included is a charge for the value of acquisition-related purchased in-process research and development of \$79 million in 1999, \$25 million in 1998, and \$461 million in 1997.

Seasonality

TI's revenues and operating results are subject to some seasonal variation.

Employees

The information concerning the number of persons employed by TI at December 31, 1999 on page B-31 of TI's proxy statement for the 2000 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

Cautionary Statements Regarding Future Results of Operations

You should read the following cautionary statements in conjunction with discussions of factors discussed elsewhere in this and other of TI's filings

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with the Securities and Exchange Commission (SEC) and in materials incorporated by reference in these filings. These cautionary statements are intended to highlight certain factors that may affect the financial condition and results of operations of TI and are not meant to be an exhaustive discussion of risks that apply to companies with broad international operations, such as TI. Like other businesses, TI is susceptible to macroeconomic downturns in the United States or abroad that may affect the general economic climate and performance of TI or its customers. Similarly, the price of TI's securities is subject to volatility due to fluctuations in general market conditions, differences in TI's results of operations from estimates and projections generated by the investment community and other factors beyond TI's control.

A Weakening in the Semiconductor Market May Adversely Affect TI's Performance.

TI's semiconductor business represents its largest business segment and the principal source of its revenues. The semiconductor market has historically been cyclical and subject to significant economic downturns. A significant weakening in the semiconductor market may adversely affect TI's results of operations and have an adverse effect on the market price of its securities.

The Technology Industry is Characterized by Rapid Technological Change that Requires TI to Develop New Technologies and Products.

TI's results of operations depend in part upon its ability to successfully develop and market innovative products in a rapidly changing technological environment. TI requires significant capital to develop new technologies and products to meet changing customer demands that, in turn, may result in shortened product lifecycles. Moreover, expenditures for technology and

product development are generally made before the commercial viability for such developments can be assured. As a result, there can be no assurance that TI will successfully develop and market these new products, that the products TI does develop and market will be well received by customers or that TI will realize a return on the capital expended to develop such products.

TI's Faces Substantial Competition that Requires TI to Respond Rapidly to

Product Development and Pricing Pressures.

TI faces intense technological and pricing competition in the markets in which it operates. TI expects that the level of this competition will increase in the future from large, established semiconductor and related product

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companies, as well as from emerging companies serving niche markets also served by TI. Certain of TI's competitors possess sufficient financial, technical and management resources to develop and market products that may compete favorably against those products of TI that currently offer technological and/or price advantages over competitive products. Competition results in price and product development pressures, which may result in reduced profit margins and lost business opportunities in the event that TI is unable to match price declines or technological, product, applications support, software or manufacturing advances of its competitors.

TI's Performance Depends upon its Ability to Enforce Its Intellectual

Property Rights and to Develop or License New Intellectual Property.

TI benefits from royalties generated from various license agreements that will be in effect through the year 2005. Future royalty revenues and access to world-wide markets depend on the continued strength of TI's intellectual property portfolio. TI actively enforces and protects its intellectual property rights, but there can be no assurance that TI's efforts will be adequate to prevent the misappropriation or improper use of the protected technology. Moreover, there can be no assurance that, as TI's business expands into new areas, TI will be able to independently develop the technology, software or know-how necessary to conduct its business. TI may have to rely increasingly on licensed technology from others. To the extent that TI relies on licenses from others, there can be no assurance that it will be able to obtain all of the licenses it desires in the future on terms it considers reasonable or at all.

A Decline in Demand in Certain End-User Markets Could Have a Material

Adverse Effect on the Demand for TI's Products and Results of Operations.

TI's customer base includes companies in a wide range of industries, but TI generates a significant amount of revenues from sales to customers in the telecommunications and computer-related industries. Within these industries, a large portion of TI revenues is generated by the sale of digital signal processors and analog integrated circuits to customers in the cellular phone, modem and hard disk drive segments of these industries. A significant decline in any one or several of these end-user markets could have a material adverse effect on the demand for TI's products and its results of operations.

There Can Be No Assurance of the Accuracy of the Assessment of Year 2000

Issues.

In anticipation of potential Year 2000 issues that result from the use of two digit, rather than four digit, year dates in software, TI implemented a

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company-wide program to assess its Year 2000 readiness and, where appropriate, to implement corrective actions. TI does not anticipate any material disruption in our operations as the result of any Year 2000 issues. However, there can be no assurance that TI has fully and accurately assessed its Year 2000 readiness or of the effectiveness of TI's corrective actions. Nor can there be any assurance that TI's customers and suppliers fully and accurately

assessed their Year 2000 readiness or of the effectiveness of their corrective actions.

TI's International Manufacturing Operations and Sales Subject It to Risks

Associated with Legal, Political, Economic or Other Changes Outside of the

United States.

TI operates in 27 countries worldwide and in 1999 derived in excess of 67% of its revenues from sales to locations outside the United States. Operating internationally exposes TI to changes in the laws or policies, as well as the general economic conditions, of the various countries in which it operates, which could result in an adverse effect on TI's business operations in such countries and its results of operations. Also, as discussed in more detail on pages B-11, B-35 and B-36 of TI's proxy statement for the 2000 annual meeting of stockholders, TI uses forward currency exchange contracts to minimize the adverse earnings impact from the effect of exchange rate fluctuations on the company's non-U.S. dollar net balance sheet exposures. Nevertheless, in periods when the U.S. dollar strengthens in relation to the non-U.S. currencies in which TI transacts business, the remeasurement of non-U.S. dollar transactions can have an adverse effect on TI's non-U.S. business.

The Loss of or Significant Curtailment of Purchases by any of TI's Largest

Customers Could Adversely Affect TI's Results of Operations.

While TI generates revenues from thousands of customers worldwide, the loss of or significant curtailment of purchases by one or more of its top customers, including curtailments due to a change in the sourcing policies or practices of these customers, may adversely affect TI's results of operations.

TI's Continued Success Depends Upon Its Ability to Retain and Recruit a

Sufficient Number of Qualified Employees in a Competitive Environment.

TI's continued success depends on the retention and recruitment of skilled personnel, including technical, marketing, management and staff personnel. Experienced personnel in the electronics industry are in high demand and competition for their skills is intense. There can be no

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assurance that TI will be able to successfully retain and recruit the key personnel that it requires.

Available Information

TI files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements and other information filed by TI at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549, or at the SEC offices in New York, New York and Chicago, Illinois. Please call (800) SEC-0330 for further information on the public reference rooms. TI's filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>.

ITEM 2. Properties.

TI's principal executive offices are located at 12500 TI Boulevard, Dallas, Texas. TI owns and leases facilities in the United States and 12 other countries for manufacturing, design and related purposes. The following table indicates the general location of TI's principal manufacturing and design operations and the business segments which make major use of them. Except as otherwise indicated, these facilities are owned by TI.

	Semiconductor	Materials & Controls	E&PS
	-----	-----	----
Dallas, Texas(1)	X	X	X
Houston, Texas	X		
Sherman, Texas(1)(2)	X		
Santa Cruz, California	X		
Attleboro, Massachusetts	X	X	
Hiji, Japan	X		
Miho, Japan	X		
Kuala Lumpur, Malaysia(3)	X	X	
Baguio, Philippines(4)	X		
Taipei, Taiwan	X		
Nice, France	X		
Freising, Germany	X	X	
Aguascalientes, Mexico	X	X	

(1) Certain facilities or portions thereof in Dallas and Sherman are leased to Raytheon Company or Raytheon-related entities in connection with the sale in 1997 of TI's defense systems and electronics business.

(2) Leased.

(3) Approximately half of this site is owned on leased land; the remainder is leased.

(4) Owned on leased land.

TI's facilities in the United States contained approximately 17,100,000 square feet as of December 31, 1999, of which approximately 3,300,000 square feet were leased. TI's facilities outside the United States contained approximately 5,200,000 square feet as of December 31, 1999, of which approximately 1,400,000 square feet were leased.

TI believes that its existing properties are in good condition and suitable for the manufacture of its products. At the end of 1999, the company utilized substantially all of the space in its facilities.

Leases covering TI's leased facilities expire at varying dates generally within the next 10 years. TI anticipates no difficulty in either retaining occupancy through lease renewals, month-to-month occupancy or purchases of leased facilities, or replacing the leased facilities with equivalent facilities.

ITEM 3. Legal Proceedings.

Approximately \$300 million of grants from the Italian government to TI's former memory operations in Italy are being reviewed in the ordinary course by government auditors. TI understands that these auditors are questioning whether some of the grants were applied to purposes outside the scope of the grants. TI's deferred gain on the sale of its memory business may be reduced to the extent that any grants are determined to have been misapplied. Also, TI understands that an Italian prosecutor is conducting a criminal investigation concerning a portion of the grants relating to specified research and development activities. The company believes that the grants were obtained and used in compliance with applicable law and contractual obligations.

TI is involved in various investigations and proceedings conducted by the federal Environmental Protection Agency and certain state environmental agencies regarding disposal of waste materials. Although the factual situations and the progress of each of these matters differ, the company believes that the amount of its liability will not have a material adverse effect upon its financial position or results of operations and, in most cases, TI's liability will be limited to sharing clean-up or other remedial costs with other potentially responsible parties.

ITEM 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The information which is contained in the note to the financial statements captioned "Common Stock Prices and Dividends" on page B-43 of TI's proxy statement for the 2000 annual meeting of stockholders, and the information concerning the number of stockholders of record at December 31, 1999 on page B-31 of such proxy statement, are incorporated herein by reference to such proxy statement.

ITEM 6. Selected Financial Data.

The "Summary of Selected Financial Data" for the years 1995 through 1999 which appears on page B-31 of TI's proxy statement for the 2000 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information contained under the caption "Management Discussion and Analysis of Financial Condition and Results of Operations" on pages B-32 through B-41 of TI's proxy statement for the 2000 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Information concerning market risk is contained on pages B-35 and B-36 of TI's proxy statement for the 2000 annual meeting of stockholders and is incorporated by reference to such proxy statement.

ITEM 8. Financial Statements and Supplementary Data.

The consolidated financial statements of the company at December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, and the report thereon of the independent auditors, on pages B-1 through B-30 of TI's proxy statement for the 2000 annual meeting of stockholders, are incorporated herein by reference to such proxy statement.

The "Quarterly Financial Data" on page B-42 of TI's proxy statement for the 2000 annual meeting of stockholders is also incorporated herein by reference to such proxy statement.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

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PART III

ITEM 10. Directors and Executive Officers of the Registrant.

The information with respect to directors' names, ages, positions, term of office and periods of service, which is contained under the caption "Nominees for Directorship" in the company's proxy statement for the 2000 annual meeting of stockholders, is incorporated herein by reference to such proxy statement.

The following is an alphabetical list of the names and ages of the executive officers of the company and the positions or offices with the company presently held by each person named:

Name	Age	Position
Richard J. Agnich	56	Senior Vice President and Secretary
William A. Aylesworth	57	Senior Vice President, Treasurer and Chief Financial Officer
Thomas J. Engibous	47	Director; Chairman of the Board, President and Chief Executive Officer
Joseph F. Hubach	42	Senior Vice President and General Counsel
Stephen H. Leven	48	Senior Vice President
Keh-Shew Lu	53	Senior Vice President
John Scarisbrick	47	Senior Vice President
Richard Schaar	54	Senior Vice President (President, Educational & Productivity Solutions)
M. Samuel Self	60	Senior Vice President and Controller (Chief Accounting Officer)
Elwin L. Skiles, Jr.	58	Senior Vice President
Richard K. Templeton	41	Executive Vice President

(President, Semiconductor)

Teresa L. West	39	Senior Vice President
Delbert A. Whitaker	56	Senior Vice President
Thomas Wroe	49	Senior Vice President (President, Materials & Controls)

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The term of office of the above listed officers is from the date of their election until their successor shall have been elected and qualified. Mr. Hubach was elected to his respective office on January 20, 2000; the most recent date of election of the other officers was April 22, 1999. Messrs. Agnich, Aylesworth, Engibous and Skiles have served as officers of the company for more than five years. Mr. Templeton has served as an officer of the company since 1996, and he has been an employee of the company for more than five years. Ms. West and Messrs. Hubach, Leven, Lu, Scarisbrick, Schaar, Self, Whitaker and Wroe have served as officers of the company since March 19, 1998 and have been employees of the company for more than five years.

ITEM 11. Executive Compensation.

The information which is contained under the captions "Directors Compensation" and "Executive Compensation" in the company's proxy statement for the 2000 annual meeting of stockholders is incorporated herein by reference to such proxy statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management.

The information concerning (a) the only persons that have reported beneficial ownership of more than 5% of the common stock of TI, and (b) the ownership of TI's common stock by the Chief Executive Officer and the four other most highly compensated executive officers, and all executive officers and directors as a group, which is contained under the caption "Voting Securities" in the company's proxy statement for the 2000 annual meeting of stockholders, is incorporated herein by reference to such proxy statement. The information concerning ownership of TI's common stock by each of the directors, which is contained under the caption "Nominees for Directorship" in such proxy statement, is also incorporated herein by reference to such proxy statement.

ITEM 13. Certain Relationships and Related Transactions.

Not applicable.

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PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1 and 2. Financial Statements and Financial Statement Schedules:

The financial statements and financial statement schedules are listed in the index on page 23 hereof.

3. Exhibits:

Designation of

- 3(a) Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year 1993).
- 3(b) Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(b) to the Registrant's Annual Report on Form 10-K for the year 1993).
- 3(c) Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(c) to the Registrant's Annual Report on Form 10-K for the year 1993).
- 3(d) Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996).
- 3(e) Certificate of Ownership Merging Texas Instruments Automation Controls, Inc. into the Registrant (incorporated by reference to Exhibit 3(e) to the Registrant's Annual Report on Form 10-K for the year 1993).
- 3(f) Certificate of Elimination of Designations of Preferred Stock of the Registrant (incorporated by reference to Exhibit 3(f) to the Registrant's Annual Report on Form 10-K for the year 1993).
- 3(g) Certificate of Ownership and Merger Merging Tiburon Systems, Inc. into the Registrant
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- (incorporated by reference to Exhibit 4(g) to the Registrant's Registration Statement No. 333-41919 on Form S-8).
- 3(h) Certificate of Ownership and Merger Merging Tartan, Inc. into the Registrant (incorporated by reference to Exhibit 4(h) to the Registrant's Registration Statement No. 333-41919 on Form S-8).
- 3(i) Certificate of Designation relating to the Registrant's Participating Cumulative Preferred Stock (incorporated by reference to Exhibit 4(a) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
- 3(j) Certificate of Elimination of Designation of Preferred Stock of the Registrant (incorporated by reference to Exhibit 3(j) to the Registrant's Annual Report on Form 10-K for the year 1998).
- 3(k) Certificate of Ownership and Merger Merging Intersect Technologies, Inc. into the Registrant.
- 3(l) Certificate of Ownership and Merger Merging Soft Warehouse, Inc. into the Registrant.
- 3(m) Certificate of Ownership and Merger Merging Silicon Systems, Inc. into the Registrant.
- 3(n) By-Laws of the Registrant.
- 4(a)(i) Rights Agreement dated as of June 18, 1998 between the Registrant and Harris Trust and Savings Bank as Rights Agent, which includes as Exhibit B the form of Rights Certificate (incorporated by reference to Exhibit 1 to the

4(a)(ii) Amendment dated as of September 18, 1998 to the Rights Agreement (incorporated by reference to Exhibit 2 to the Registrant's Amendment No. 1 to Registration Statement on Form 8-A dated September 23, 1998).

4(b) The Registrant agrees to provide the Commission, upon request, copies of instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries.

10(a)(i) Amended and Restated TI Deferred Compensation Plan.*

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10(a)(ii) First Amendment to Restated TI Deferred Compensation Plan.*

10(a)(iii) Second Amendment to Restated TI Deferred Compensation Plan.*

10(b)(i) TI Employees Supplemental Pension Plan.*

10(b)(ii) First Amendment to TI Supplemental Pension Plan.*

10(c) Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).*

10(d) Texas Instruments 1996 Long-Term Incentive Plan (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996).*

10(e) Texas Instruments Executive Officer Performance Plan (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997).*

10(f) Texas Instruments Restricted Stock Unit Plan for Directors (incorporated by reference to Exhibit 10(e) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).

10(g) Texas Instruments Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10(f) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).

10(h) Texas Instruments Stock Option Plan for Non-Employee Directors (incorporated by reference to Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year 1998).

10(i) Asset Purchase Agreement dated as of January 4, 1997 between the Registrant and Raytheon Company (exhibits and schedules omitted) (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated January 4, 1997).

10(j) Acquisition Agreement dated as of June 18, 1998 between Texas Instruments Incorporated and Micron Technology, Inc. (exhibit C omitted) (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated June 18, 1998).

10(k) Second Amendment to Acquisition Agreement dated as of September 30, 1998 between Texas Instruments

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Incorporated and Micron Technology, Inc. (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K dated October 15, 1998).

- 10(1) Securities Rights and Restrictions Agreement dated as of September 30, 1998 between Texas Instruments Incorporated and Micron Technology, Inc. (incorporated by reference to Exhibit 10(k) to the Registrant's Annual Report on Form 10-K for the year 1998).
- 11 Computation of Earnings Per Common and Dilutive Potential Common Share.
- 12 Computation of Ratio of Earnings to Fixed Charges.
- 13 Portions of Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders Incorporated by Reference Herein (incorporated by reference to Exhibit B to the Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders).
- 21 List of Subsidiaries of the Registrant.
- 23 Consent of Ernst & Young LLP.
- 27 Financial Data Schedule as of December 31, 1999 and for the year then ended.
- 27.1 Restated Financial Data Schedule as of December 31, 1998 and for the year then ended.
- 27.2 Restated Financial Data Schedule as of December 31, 1997 and for the year then ended.

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*Executive Compensation Plans and Arrangements:

Amended and Restated TI Deferred Compensation Plan.

First Amendment to Restated TI Deferred Compensation Plan.

Second Amendment to Restated TI Deferred Compensation Plan.

TI Employees Supplemental Pension Plan.

First Amendment to TI Supplemental Pension Plan.

Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).

Texas Instruments 1996 Long-Term Incentive Plan (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form

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10-Q for the quarter ended June 30, 1996).

Texas Instruments Executive Officer Performance Plan (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997).

(b) Reports on Form 8-K:

The Registrant filed the following reports on Form 8-K with the SEC during the quarter ended December 31, 1999: Form 8-K dated October 15, 1999, relating to completion of the acquisition by the Registrant of Unitrode Corporation; and Form 8-K dated December 6, 1999, relating to extension of an exchange offer for debt securities of the Registrant.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

This report includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe TI's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of TI or its management:

- - Market demand for semiconductors, particularly for digital signal processors and analog integrated circuits in key markets, such as telecommunications and computers.
- - TI's ability to develop, manufacture and market innovative products in a rapidly changing technological environment.
- - TI's ability to compete in products and prices in an intensely competitive industry.
- - TI's ability to maintain and enforce a strong intellectual property portfolio and obtain needed licenses from third parties.
- - Accurate assessment of Year 2000 by TI, its customers and its suppliers.
- - Global economic, social and political conditions in the countries in which TI and its customers and suppliers operate, including fluctuations in foreign currency exchange rates.
- - Losses or curtailments of purchases from key customers or the timing of customer inventory corrections.

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- - TI's ability to recruit and retain skilled personnel.
- - Availability of raw materials and critical manufacturing equipment.

For a more detailed discussion of these factors see the text under the heading "Cautionary Statements Regarding Future Results of Operations" in Item 1 of

this report. The forward-looking statements included in this report are made only as of the date of this report and TI undertakes no obligation to publicly update the forward-looking statements to reflect subsequent events or circumstances.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ WILLIAM A. AYLESWORTH

William A. Aylesworth
Senior Vice President,
Treasurer and Chief
Financial Officer

Date: February 18, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 17th day of February, 2000.

Signature	Title
/s/ JAMES R. ADAMS ----- James R. Adams	Director
/s/ DAVID L. BOREN ----- David L. Boren	Director
/s/ JAMES B. BUSEY IV ----- James B. Busey IV	Director
/s/ DANIEL A. CARP ----- Daniel A. Carp	Director
/s/ THOMAS J. ENGIBOUS ----- Thomas J. Engibous	Chairman of the Board; President; Chief Executive Officer; Director
/s/ GERALD W. FRONTERHOUSE ----- Gerald W. Fronterhouse	Director
/s/ DAVID R. GOODE ----- David R. Goode	Director
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/s/ WAYNE R. SANDERS ----- Wayne R. Sanders	Director
/s/ RUTH J. SIMMONS ----- Ruth J. Simmons	Director
/s/ CLAYTON K. YEUTTER ----- Clayton K. Yeutter	Director
/s/ WILLIAM A. AYLESWORTH ----- William A. Aylesworth	Senior Vice President; Treasurer; Chief Financial Officer

/s/ M. SAMUEL SELF

M. Samuel Self

Senior Vice President; Controller;
Chief Accounting Officer

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TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
(Item 14(a))

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Form 10-K	-----
Information incorporated by reference to the Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders	
Consolidated Financial Statements:	
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Balance sheet at December 31, 1999 and 1998	B-2
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Stockholders' equity for each of the three years in the period ended December 31, 1999	B-4
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Consolidated Schedule for each of the three
years in the period ended December 31, 1999:

II. Allowance for Losses

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

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Schedule II

TEXAS INSTRUMENTS AND SUBSIDIARIES
ALLOWANCE FOR LOSSES
(IN MILLIONS OF DOLLARS)
Years Ended December 31, 1999, 1998, 1997

Description	Balance at Beginning of Year	Charged to Expenses	Deductions	Balance at End of Year
Allowance for losses:				
1999	\$72	\$ 82	\$ (87)	\$67
1998	\$75	\$ 74	\$ (77)	\$72
1997	\$91	\$134	\$(150)	\$62

Allowance for losses from uncollectible accounts, returns, etc., are deducted from accounts receivable in the balance sheet.

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Designation of Exhibit in this Report -----	Description of Exhibit -----	Electronic or Paper -----
3(a)	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year 1993).	E
3(b)	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(b) to the Registrant's Annual Report on Form 10-K for the year 1993).	E
3(c)	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3(c) to the Registrant's Annual Report on Form 10-K for the year 1993).	E
3(d)	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996).	E
3(e)	Certificate of Ownership Merging Texas Instruments Automation Controls, Inc. into the Registrant (incorporated by reference to Exhibit 3(e) to the Registrant's Annual Report on Form 10-K for the year 1993).	E
3(f)	Certificate of Elimination of Designations of	E
3(g)	Certificate of Ownership and Merger Merging Tiburon Systems, Inc. into the Registrant (incorporated by reference to Exhibit 4(g) to the Registrant's Registration Statement No. 333-41919 on Form S-8).	E
3(h)	Certificate of Ownership and Merger Merging Tartan, Inc. into the Registrant (incorporated by reference to Exhibit 4(h) to the Registrant's Registration Statement No. 333-41919 on Form S-8).	E
3(i)	Certificate of Designation relating to the Registrant's Participating Cumulative Preferred Stock (incorporated by reference to Exhibit 4(a) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).	E
3(j)	Certificate of Elimination of Designation of Preferred Stock of the Registrant (incorporated by reference to Exhibit 3(j) to the Registrant's Annual Report on Form 10-K for the year 1998).	E
3(k)	Certificate of Ownership and Merger Merging Intersect Technologies, Inc. into the Registrant.	E
3(l)	Certificate of Ownership and Merger Merging Soft Warehouse, Inc. into the Registrant.	E
3(m)	Certificate of Ownership and Merger Merging Silicon Systems, Inc. into the Registrant.	E
3(n)	By-Laws of the Registrant.	E
4(a)(i)	Rights Agreement dated as of June 18, 1998 between the Registrant and Harris Trust and Savings Bank as Rights Agent, which includes as Exhibit B the form of Rights Certificate (incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A dated June 23, 1998).	E
4(a)(ii)	Amendment dated as of September 18, 1998 to the Rights Agreement (incorporated by reference to Exhibit 2 to the Registrant's Amendment No. 1 to	E

4(b)	The Registrant agrees to provide the Commission, upon request, copies of instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries.	
10(a)(i)	Amended and Restated TI Deferred Compensation Plan.*	E
10(a)(ii)	First Amendment to Restated TI Deferred Compensation Plan.*	E
10(a)(iii)	Second Amendment to Restated TI Deferred Compensation Plan.*	E
10(b)(i)	TI Employees Supplemental Pension Plan.*	E
10(b)(ii)	First Amendment to TI Supplemental Pension Plan.*	E
10(c)	Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).*	E
10(d)	Texas Instruments 1996 Long-Term Incentive Plan (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996).*	E
10(e)	Texas Instruments Executive Officer Performance Plan (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997).*	E
10(f)	Texas Instruments Restricted Stock Unit Plan for Directors (incorporated by reference to Exhibit 10(e) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).	E
10(g)	Texas Instruments Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10(f) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).	E
10(h)	Texas Instruments Stock Option Plan for Non-Employee Directors (incorporated by reference to Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year 1998).	E
10(i)	Asset Purchase Agreement dated as of January 4, 1997 between the Registrant and Raytheon Company (exhibits and schedules omitted) (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated January 4, 1997).	E
10(j)	Acquisition Agreement dated as of June 18, 1998 between Texas Instruments Incorporated and Micron Technology, Inc. (exhibit C omitted) (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated June 18, 1998).	E
10(k)	Second Amendment to Acquisition Agreement dated as of September 30, 1998 between Texas Instruments Incorporated and Micron Technology, Inc. (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K dated October 15, 1998).	E
10(l)	Securities Rights and Restrictions Agreement dated as of September 30, 1998 between Texas Instruments Incorporated and Micron Technology, Inc. (incorporated by reference to Exhibit 10(k) to the Registrant's Annual Report on Form 10-K for the year 1998).	E
11	Computation of Earnings Per Common and Dilutive Potential Common Share.	E

12	Computation of Ratio of Earnings to Fixed Charges.	E
13	Portions of Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders Incorporated by Reference Herein (incorporated by reference to Exhibit B to the Registrant's Proxy Statement for the 2000 Annual Meeting of Stockholders).	E
21	List of Subsidiaries of the Registrant.	E
23	Consent of Ernst & Young LLP.	E
27	Financial Data Schedule as of December 31, 1999 and for the year then ended.	E
27.1	Restated Financial Data Schedule as of December 31, 1998 and for the year then ended.	E
27.2	Restated Financial Data Schedule as of December 31, 1997 and for the year then ended.	E

*Executive Compensation Plans and Arrangements:

Amended and Restated TI Deferred Compensation Plan.

First Amendment to Restated TI Deferred Compensation Plan.

Second Amendment to Restated TI Deferred Compensation Plan.

TI Employees Supplemental Pension Plan.

First Amendment to TI Supplemental Pension Plan.

Texas Instruments Long-Term Incentive Plan (incorporated by reference to Exhibit 10(a)(ii) to the Registrant's Annual Report on Form 10-K for the year 1993).

Texas Instruments 1996 Long-Term Incentive Plan (incorporated by reference to Exhibit 10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996).

Texas Instruments Executive Officer Performance Plan (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997).

CERTIFICATE OF OWNERSHIP AND MERGER
MERCING
INTERSECT TECHNOLOGIES, INC.
WITH AND INTO
TEXAS INSTRUMENTS INCORPORATED

Pursuant to Section 253 of the
General Corporation of Law
of the State of Delaware

Texas Instruments Incorporated, a Delaware corporation (the "Company"), does hereby certify to the following facts relating to the merger (the "Merger") of Intersect Technologies, Inc., a Delaware corporation (the "Subsidiary"), with and into the Company, with the Company remaining as the surviving corporation:

FIRST: The Company is incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Subsidiary is incorporated pursuant to the DGCL.

SECOND: The Company owns all of the outstanding shares of each class of capital stock of the Subsidiary.

THIRD: The Board of Directors of the Company, by the following resolutions duly adopted at a meeting of the Board on July 15, 1999, determined to merge the Subsidiary with and into the Company pursuant to Section 253 of the DGCL:

RESOLVED, that the Board of Directors of the Company has deemed it advisable that Intersect Technologies, Inc. (the "Subsidiary") be merged with and into the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware; and it is

FURTHER RESOLVED, that the Subsidiary be merged with and into the Company (the "Merger"); and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Company shall remain unchanged and continue to remain outstanding as one share of common stock of the Company, held by the person who was the holder of such share of common stock of the Company immediately prior to the Merger; and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Subsidiary shall be cancelled and no consideration shall be issued in respect thereof; and it is

FURTHER RESOLVED, that the proper officers of the Company be and they hereby are authorized and directed to make, execute and acknowledge, in the name and under the corporate seal of the Company, a Certificate of Ownership and Merger for the purpose of effecting the Merger and to file the same in the office of the Secretary of State of the State of Delaware, and to do all other acts and things that may be necessary to carry out and effectuate the purpose and intent of the resolutions relating to the Merger; and it is

FURTHER RESOLVED, that the Merger shall be effective upon the date of filing of the Certificate of Ownership and Merger with the Secretary of State of the State of Delaware; and it is

FURTHER RESOLVED, that the appropriate officers of the Company be, and each hereby is, authorized, on behalf of the Company to do all things and to take any other actions in furtherance of the foregoing resolutions as such officer may deem necessary or appropriate.

FOURTH: The Company shall be the surviving corporation of the Merger.

FIFTH: The Certificate of Incorporation of the Company as in effect immediately prior to the effective time of the Merger shall be the Certificate of Incorporation of the surviving corporation.

IN WITNESS WHEREOF, the Company has caused this Certificate of

Ownership and Merger to be executed by its duly authorized officer this 15th day of July, 1999.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ RICHARD J. AGNICH

Name: Richard J. Agnich
Office: Senior Vice President, Secretary
and General Counsel

CERTIFICATE OF OWNERSHIP AND MERGER
MERCING
SOFT WAREHOUSE, INC.
WITH AND INTO
TEXAS INSTRUMENTS INCORPORATED

Pursuant to Section 253 of the
General Corporation of Law
of the State of Delaware

Texas Instruments Incorporated, a Delaware corporation (the "Company"), does hereby certify to the following facts relating to the merger (the "Merger") of Soft Warehouse, Inc., a Hawaii corporation (the "Subsidiary"), with and into the Company, with the Company remaining as the surviving corporation:

FIRST: The Company is incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Subsidiary is incorporated pursuant to the laws of the State of Hawaii.

SECOND: The Company owns all of the outstanding shares of each class of capital stock of the Subsidiary.

THIRD: The Board of Directors of the Company, by the following resolutions duly adopted at a meeting of the Board on September 16, 1999, determined to merge the Subsidiary with and into the Company pursuant to Section 253 of the DGCL:

RESOLVED, that the Board of Directors of the Company has deemed it advisable that Soft Warehouse, Inc. (the "Subsidiary") be merged with and into the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware and Section 415-75, Hawaii Revised Statutes; and it is FURTHER RESOLVED, that the Subsidiary be merged with and into the Company (the "Merger"); and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Company shall remain unchanged and continue to remain outstanding as one share of common stock of the Company, held by the person who was the holder of such share of common stock of the Company immediately prior to the Merger; and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Subsidiary shall be cancelled and no consideration shall be issued in respect thereof; and it is

FURTHER RESOLVED, that the proper officers of the Company be and they hereby are authorized and directed to make, execute and acknowledge, in the name and under the corporate seal of the Company, a Certificate of Ownership and Merger for the purpose of effecting the Merger and to file the same in the office of the Secretary of State of the State of Delaware, and to do all other acts and things that may be necessary to carry out and effectuate the purpose and intent of the resolutions relating to the Merger; and it is

FURTHER RESOLVED, that the Merger shall be effective on September 30, 1999; and it is

FURTHER RESOLVED, that the appropriate officers of the Company be, and each hereby is, authorized, on behalf of the Company to do all things and to take any other actions in furtherance of the foregoing resolutions as such officer may deem necessary or appropriate.

FOURTH: The Company shall be the surviving corporation of the Merger.

FIFTH: The Restated Certificate of Incorporation of the Company as in effect immediately prior to the effective time of the Merger shall be the Certificate of Incorporation of the surviving corporation.

IN WITNESS WHEREOF, the Company has caused this Certificate of

Ownership and Merger to be executed by its duly authorized officer this 23rd day of September, 1999.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ RICHARD J. AGNICH

Name: Richard J. Agnich
Office: Senior Vice President, Secretary
and General Counsel

CERTIFICATE OF OWNERSHIP AND MERGER
MERCING
SILICON SYSTEMS, INC.
WITH AND INTO
TEXAS INSTRUMENTS INCORPORATED

Pursuant to Section 253 of the
General Corporation of Law
of the State of Delaware

Texas Instruments Incorporated, a Delaware corporation (the "Company"), does hereby certify to the following facts relating to the merger (the "Merger") of Silicon Systems, Inc., a Delaware corporation (the "Subsidiary"), with and into the Company, with the Company remaining as the surviving corporation:

FIRST: The Company is incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Subsidiary is incorporated pursuant to the DGCL.

SECOND: The Company owns all of the outstanding shares of each class of capital stock of the Subsidiary.

THIRD: The Board of Directors of the Company, by the following resolutions duly adopted at a meeting of the Board on December 2, 1999, determined to merge the Subsidiary with and into the Company pursuant to Section 253 of the DGCL:

RESOLVED, that the Board of Directors of the Company has deemed it advisable that Silicon Systems, Inc. (the "Subsidiary") be merged with and into the Company pursuant to Section 253 of the General Corporation Law of the State of Delaware; and it is

FURTHER RESOLVED, that the Subsidiary be merged with and into the Company (the "Merger"); and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Company shall remain unchanged and continue to remain outstanding as one share of common stock of the Company, held by the person who was the holder of such share of common stock of the Company immediately prior to the Merger; and it is

FURTHER RESOLVED, that by virtue of the Merger and without any action on the part of the holder thereof, each then outstanding share of common stock of the Subsidiary shall be cancelled and no consideration shall be issued in respect thereof; and it is

FURTHER RESOLVED, that the proper officers of the Company be and they hereby are authorized and directed to make, execute and acknowledge, in the name and under the corporate seal of the Company, a Certificate of Ownership and Merger for the purpose of effecting the Merger and to file the same in the office of the Secretary of State of the State of Delaware, and to do all other acts and things that may be necessary to carry out and effectuate the purpose and intent of the resolutions relating to the Merger; and it is

FURTHER RESOLVED, that the Merger shall be effective upon the date of filing of this Certificate of Ownership and Merger with the Secretary of State of the State of Delaware; and it is

FURTHER RESOLVED, that the appropriate officers of the Company be, and each hereby is, authorized on behalf of the Company to do all things and to take any other actions in furtherance of the foregoing resolutions as such officer may deem necessary or appropriate.

FOURTH: The Company shall be the surviving corporation of the Merger.

FIFTH: The Restated Certificate of Incorporation of the Company as in effect immediately prior to the effective time of the Merger shall be the Certificate of Incorporation of the surviving corporation.

IN WITNESS WHEREOF, the Company has caused this Certificate of Ownership and Merger to be executed by its duly authorized officer this 17th day of December, 1999.

TEXAS INSTRUMENTS INCORPORATED

By: /s/ RICHARD J. AGNICH

Name: Richard J. Agnich

Office: Senior Vice President, Secretary
and General Counsel

TEXAS INSTRUMENTS INCORPORATED

BY-LAWS

(As Amended Through January 20, 2000)

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B Y - L A W S

of

TEXAS INSTRUMENTS INCORPORATED

ARTICLE I
Offices

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware shall be at 100 West Tenth Street, in the City of Wilmington, County of New Castle, and the name of the registered agent in charge thereof is The Corporation Trust Company.

Section 2. Other Offices. The Corporation may also have a general office in the City of Dallas, State of Texas, and may also have such other office or offices, either within or without the State of Delaware, as the Board of Directors may from time to time appoint or as the business of the Corporation may require.

ARTICLE II
Meetings of Stockholders

Section 1. Annual Meetings. An annual meeting of the stockholders of the Corporation shall be held on the third Thursday in April in each year or on such other date as may be fixed from time to time by the Board of Directors, at such hour as may be specified in the notice thereof, for the purpose of electing directors and for the transaction of such other business as may properly be brought before such meeting. If any annual meeting shall not be held on the day designated or as provided herein, the Board of Directors shall cause the meeting of the stockholders to be held as soon thereafter as convenient for the election of such directors. A failure to

hold the annual meeting of the stockholders at the designated time or to elect a sufficient number of directors to conduct the business of the Corporation shall not affect otherwise valid corporate acts and shall not work any forfeiture or dissolution of the Corporation.

Section 2. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, may be called at any time by the Chairman of the Board, President or the Board of Directors, and shall be called by the Chairman of the Board, President or the Secretary at the request in writing of a majority of the Board of Directors, except as otherwise provided by law or in the Certificate of Incorporation or any amendment thereto.

Section 3. Place of Meeting. All meetings of the stockholders for the election of directors shall be held in the City of Dallas, State of Texas, at such place within such City as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. All other meetings of the stockholders shall be held at such places, within or without the State of Delaware, as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 4. Notice of Meetings. Except as otherwise expressly required by law or by these By-Laws, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder of record of the Corporation entitled to vote at such meeting by delivering a written or printed notice thereof to him personally or by depositing such notice in the United States mail postage prepaid, directed to the stockholder at his address as it appears upon the records of the Corporation. Every such notice shall state the place, date and hour of the meeting and, if the meeting be special, briefly, the purpose or purposes thereof. Except when expressly required by law, no publication of any notice of a meeting of the stockholders shall be required; and except when expressly required by law, no notice of any adjourned meeting of the stockholders of the Corporation need be given.

Section 5. Quorum. At all meetings of the stockholders (except where otherwise provided by law, by the Certificate of Incorporation or by these By-Laws) stockholders holding of record a majority of the shares of stock of the Corporation issued and outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum for the transaction of business. Except as otherwise expressly provided by law, in the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of those present in person or by proxy and voting thereon may adjourn such meeting from time to time, until a quorum shall be present, without notice other than announcement at the meeting, except that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting. At any adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called. The absence from any meeting of stockholders holding the number of shares of stock of the Corporation having voting powers required by the laws of the State of Delaware or by the Certificate of Incorporation or by these By-Laws for action upon any given matter shall not prevent action at such meeting upon any other matter or matters which may properly come before the meeting, if there shall be present thereat in person or by proxy stockholders entitled to vote thereat holding the number of shares of stock of the Corporation having voting power required in respect of such other matter or matters.

Section 6. Voting. Except as otherwise expressly provided by law or by the Certificate of Incorporation or by these By-Laws, each stockholder of the Corporation shall, at each meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the stock of the Corporation having voting powers held by him and registered in his name on the books of the Corporation on the date fixed pursuant to the provisions of Section 5 of Article IX of these By-Laws as the record date for the determination of stockholders who shall be entitled to notice of and to vote at such meeting. Shares of its own stock belonging to the Corporation, or to another corporation if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the Corporation, shall not be voted nor counted for quorum purposes. At all meetings of the stockholders all matters except those the manner of deciding upon which shall otherwise be expressly regulated by law or by the Certificate of Incorporation or by these By-Laws, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. The vote for directors, and upon the demand of any stockholder, the vote upon any question before the meeting shall be by written ballot.

Section 7. List of Stockholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of its stock ledger, either directly or through a transfer agent or transfer clerk appointed by the Board of Directors, to prepare and make, at least ten (10)

days before every meeting of the stockholders a complete alphabetically arranged list of the stockholders showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this section or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 8. Inspectors. Prior to each meeting of the stockholders, two Inspectors shall be appointed by the Board of Directors, or, if no such appointment shall have been made, such Inspectors shall be appointed by the Chairman of the meeting, to act thereat. Each Inspector so appointed shall first subscribe an oath or affirmation faithfully to execute the duties of an inspector at such meeting with strict impartiality and according to the best of his ability.

Such Inspectors shall take charge of the ballots at such meeting and after the balloting thereat on any question shall count the ballots cast thereon and shall make a report in writing to the secretary of such meeting of the results thereof. The Inspectors need not be stockholders of the Corporation, and any officer of the Corporation may be an Inspector on any question other than a vote for or against his election to any position with the Corporation or on any other question in which he may be directly interested other than as a stockholder.

Section 9. Nomination of Directors; Notice of Stockholder Nominees. Except as provided in Section 6 of Article III of these By-Laws, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Company may be made at an annual meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Company entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 9 of Article II. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Company. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Company not less than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of stock of the Company which are beneficially owned by the person, (iv) the person's written consent to serve as a director if elected, and (v) any other information relating to the person that would be required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice, (i) the name and address of the stockholder and the beneficial owner, if any, on whose behalf the nomination is made, (ii) the class and number of shares of stock of the Company which are beneficially owned by the stockholder and such beneficial owner, and (iii) whether the proponent intends or is part of a group which intends to solicit proxies from other stockholders in support of such nomination. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company.

The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the provisions of this Section 9 of Article II, and the defective nomination shall be disregarded.

Section 10. Business at Annual Meeting; Notice of Stockholder Business. To be properly brought before an annual meeting of stockholders, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, or (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or by a stockholder. In addition to any other applicable requirements, for business to be properly brought before the meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a stockholder's notice must be delivered to or mailed and received at the

principal executive offices of the Company not less than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reason for conducting such business at the meeting, (ii) the name and address of the stockholder and the beneficial owner, if any, proposing such business, (iii) the class and number of shares of stock of the Company which are beneficially owned by the stockholder and such beneficial owner, (iv) any material interest in such business of the stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and (v) whether the proponent intends or is part of a group which intends to solicit proxies from other stockholders in support of such proposal.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 10 of Article II; provided, however, that nothing in this Section 10 of Article II shall be deemed to preclude discussion by any stockholder of any business properly brought before the meeting.

The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 10 of Article II, and any such business shall not transacted.

ARTICLE III

Board of Directors

Section 1. General Powers. The property, business and affairs of the Corporation shall be managed under the direction of the Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 2. Number, Term of Office and Qualifications. The number of directors which shall constitute the whole Board shall be fifteen (15) until changed by further resolution of the Board of Directors of the Company. Directors need not be stockholders.

Except as provided by Section 6 of Article III of these By-Laws, the directors shall be elected annually, and each director shall continue in office until his successor shall have been elected and shall qualify or until his death or other termination of his services. No person shall be eligible for election or re-election as a director of the Corporation after attaining age seventy.

Section 3. Election of Directors. Except as provided in Section 6 of Article III of these By-Laws, the directors shall be elected by plurality vote of the stockholders present in person or by proxy and entitled to vote at the annual meeting of the stockholders, a quorum being present.

Section 4. Organization and Order of Business. At all meetings of the Board of Directors, the Chairman of the Board of Directors shall preside. In his absence, the President, or, in the absence of both of these officers, a member of the Board of Directors chosen by a majority of the directors present thereat, shall act as Chairman of such meeting and preside thereat. The Secretary, or, in his absence, an Assistant Secretary, or, in the absence of all of them, any person appointed by the Chairman of the meeting, shall act as secretary of such meeting.

Section 5. Resignations. Any director of the Corporation may resign at any time by giving notice of his resignation to the Chairman of the Board, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt by such Chairman of the Board, President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies and Increases. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office although less than a quorum, or by a sole remaining director. Any vacancy not filled in such manner may be filled by the stockholders at any special meeting of the stockholders called for that purpose.

Section 7. Emergency By-Laws and Other Powers in Emergency. During any emergency resulting from an attack on the United States, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency conditions, as a result of which a quorum of the Board of Directors or a standing committee thereof cannot readily be convened for action, the following provisions shall be applicable:

(a) Emergency Management Committee. If a quorum of one or more committees created pursuant to Article IV of these By-Laws cannot readily be

convened for action within their respective jurisdictions and a quorum of the Board of Directors cannot readily be convened to act, then all the powers and duties vested in the committee or committees or the Board of Directors so lacking a quorum shall vest, automatically, in the Emergency Management Committee, which shall consist of all readily available members of the Board of Directors. Two members shall constitute a quorum unless there is only one, in which case one shall constitute a quorum. Other provisions of these By-Laws notwithstanding, the Emergency Management Committee (1) shall call a meeting of the Board of Directors as soon as circumstances permit for the purpose of filling vacancies on the Board of Directors and its Committees and to take such other action as may be appropriate and (2) if the Emergency Management Committee determines that less than a majority of the members of the Board of Directors are available for service, shall issue a call for a special meeting of stockholders to be held at the earliest date practicable for the election of directors.

(b) If there are no remaining directors, the officers (not exceeding the number of directors then authorized) who have at that time the longest period of employment continuous to such date uninterrupted by leave of absence in the office or offices (in the following order) of (1) Executive Vice President, (2) Group Vice President, (3) Senior Vice President, (4) Vice President, and (5) Assistant Vice President, shall be deemed directors for any meeting of the Board of Directors until the termination of the emergency, or until a meeting of the stockholders can conveniently and safely be convened, whichever shall first occur. If two or more persons shall have been elected to the same office on the same day the person or persons to be deemed a director or directors shall be the person or persons with the longest continuous period of service uninterrupted by leave of absence with the Corporation.

(c) The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.

Section 8. Place of Meeting. The Board of Directors may hold its meetings at such place or places within or without the State of Delaware as the Board of Directors may from time to time by resolution determine, or as shall be specified or fixed in these By-Laws, or in the respective notices or waivers of notice thereof.

Section 9. Annual Meetings. After each annual election of directors the Board of Directors shall meet for the purpose of organization, the election of officers of the Corporation and the transaction of other business, as soon thereafter as practicable, at the place where the meeting of stockholders for the election of directors was held. Notice of such meeting or of any adjournment thereof need not be given. Such meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a waiver of notice thereof in accordance with these By-Laws.

Section 10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors shall, from time to time, by resolution, determine. If no other place be fixed by resolution for such regular meetings they shall be held at the general office of the Corporation in the City of Dallas, State of Texas. Except as otherwise provided by law or by these By-Laws, notices of regular meetings need not be given. The time and place of any regular meeting may be changed on three days' notice to each director, as in the manner provided for notice of special meetings of the Board of Directors, from the Chairman of the Board of Directors, the President, or the Secretary or an Assistant Secretary.

Section 11. Special Meetings; Notice. Special meetings of the Board of Directors, for any purpose or purposes, shall be held whenever called by the Chairman of the Board or the President. A special meeting shall be called by the Chairman of the Board, President or Secretary upon the written request of four directors, or such lesser number constituting one-half of the total number of directors at the time in office. A notice shall be given as hereinafter in this Section provided of each such special meeting, in which shall be stated the time and place of such meeting, but except as otherwise expressly provided by law or by these By-Laws, the purposes thereof need not be stated in such notice. Except as otherwise provided by law, notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least three days before the day on which such meeting is to be held, or shall be sent addressed to him at such place by telegraph, cable or wireless or be delivered personally or by telephone not later than the day before the day on which such meeting is to be held. Notice of any meeting of the Board need not, however, be given to any director, if waived by him at any time, whether before or after the meeting, in writing or by telegraph, cable or wireless, or if he shall be present at such meeting; and any special meeting of the Board shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat.

Section 12. Quorum and Manner of Acting. At all meetings of the Board of Directors, one-third of the total number of directors shall constitute a quorum for the transaction of business; and, except as otherwise

specified in Section 1 of Article IV, Section 4 of Article V, and Article XIV of these By-Laws, and except as may otherwise be expressly provided by law or by the Certificate of Incorporation, the act of a majority of the directors present shall be the act of the Board of Directors. Members of the Board of Directors may participate in any meeting of such Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in the meeting shall constitute presence in person at such meeting. In the absence of a quorum at any meeting, it may be adjourned, from time to time, until a quorum shall be present thereat. Notice of any adjourned meeting need not be given. The directors shall act only as a Board and the individual directors shall have no power as such.

Section 13. Compensation. The Board of Directors may at any time and from time to time by resolution provide that a specified sum shall be paid to any director of the Corporation or to any director member of any Committee who shall not otherwise be in the employ of the Corporation or of any subsidiary of the Corporation, either as his annual compensation as such director, member of such committee or as compensation for his attendance at any annual, regular, or special meeting of the Board or of such committee or other activities as a director; and the Board of Directors may also likewise provide that the Corporation shall reimburse each such director or member of such committee for any expenses paid by him on account of his attendance at any such meeting or his engaging in other activities as a director. Unless otherwise expressly provided by resolution adopted by the Board of Directors, none of the directors and none of the members of any committee of directors of the Corporation contemplated by these By-Laws or otherwise provided for by resolution of the Board of Directors shall, as such, receive any stated compensation for his services. Nothing in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV Committees of Directors

Section 1. Appointment of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more "Board Committees," each Committee to consist of one or more of the directors of the Corporation which, to the extent provided in the resolution or in the By-Laws of the Corporation, shall have and may exercise, as authorized by the Board, the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Board of Directors may designate one or more directors as an alternative member of any committee, who may replace any absent or disqualified member at any meeting of the Committee. Such Board Committee or Committees shall serve during the pleasure of the Board of Directors, and shall have such name or names as may be stated in the By-Laws of the Corporation or as may be determined from time to time by resolution adopted by the Board of Directors.

In addition, the Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more "Board Appointed Committees" consisting of one or more of the directors of the Corporation and such other members as it may designate to have such powers and duties as the Board of Directors may determine. No additional compensation shall be paid to such other members who are company executives in connection with their attendance at meetings of Board Appointed Committees. The term and names of such Board Appointed Committees shall be determined from time to time by resolution adopted by the Board of Directors.

Section 2. Procedure. A majority of all the members of any committee appointed pursuant to this Article IV may fix its rules of procedure, determine its action, and fix the time and place, within or without the State of Delaware, of its meetings, and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise by resolution provide. Unless the Board of Directors shall otherwise by resolution provide, the members of any committee appointed pursuant to this Article IV may participate in any meeting of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in the meeting shall constitute presence in person at such meeting. The Board of Directors shall have power at any time to change the members of any such committee, to fill vacancies therein, and to discharge any such committee, either with or without cause.

Section 3. Minutes of Committee Proceedings. The Board Committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

ARTICLE V

Officers

Section 1. Officers. The officers of the Corporation shall include a Chairman of the Board of Directors and a President, who may be the same person, and there may be one or more Vice Chairmen of the Board of Directors, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be

subject to the control of the Board of Directors. The Board of Directors may designate a Chief Executive Officer and a Chief Operating Officer.

The Board of Directors may from time to time elect such other officers and agents as the Board may deem necessary or advisable, including one or more Assistant Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, a Controller and an Assistant Controller, each of which officers and agents shall be subject to the control of the Board of Directors and shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board of Directors or the President may from time to time determine.

Section 2. Election and Term of Office. Unless elected pursuant to Section 3 of this Article V, the officers of the Corporation shall be elected annually by the Board of Directors at the first meeting thereof held after the annual meeting of stockholders for the election of officers. Each officer shall hold office until his successor shall have been duly chosen and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Election by Board Committee or Officer. The Board of Directors may delegate to any officer or committee established by the Board of Directors the power to elect any officers and agents of the Corporation.

Section 4. Removal. Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all officers and agents of the Corporation, elected by the Board of Directors, may be removed, either with or without cause, at any time, by resolution adopted by a majority of the whole Board of Directors at any regular meeting, or at any special meeting called for the purpose, if notice of the regular or special meeting gave notice of the proposed removal. Also, except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all other officers shall hold their office, agency or employment at the discretion of, and may be removed or discharged, with or without cause, by the Board of Directors, by the committee or officer that elected them or by any superior officer upon whom such power of removal may be conferred by the Board of Directors.

Section 5. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors or to the Chairman of the Board or to the President or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt by the Board of Directors or such Chairman of the Board or President or Secretary; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office due to death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term in the manner prescribed in these By-Laws for regular elections to such office.

Section 7. Chairman of the Board of Directors. The Chairman of the Board of Directors shall be under the direction of the Board of Directors and shall have the primary responsibility for the effective operation of the Board. The Chairman shall preside at all meetings of the Board of Directors and of the stockholders. In any prolonged absence or incapacity of the President, he shall perform all the duties and functions and exercise all the powers of the President.

Section 8. President. Unless otherwise determined by the Board of Directors, the President shall be the Chief Executive Officer of the Corporation under the supervision and direction of the Board and shall have the primary responsibility for carrying out the policies of the Board. When the President is absent temporarily in the ordinary course of business, he is authorized to designate another senior officer to act in his behalf during his absence. In the absence of the Chairman of the Board, he shall preside at all meetings of the stockholders and the Board of Directors. He shall see that all orders and resolutions of the Board of Directors are carried into effect. He may sign, execute and deliver in the name of the Corporation all deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, and checks, notes and orders for the payment of money, except in cases where the signing, execution or delivery thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation or where any of them shall be required by law otherwise to be signed, executed or delivered.

Section 9. Inability of Chairman of the Board and President to Act. If the President and the Chairman of the Board are unable to act, the Board shall determine by resolution who shall perform the duties of the President and Chairman of the Board.

Section 10. Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. Each Executive Vice President, Senior Vice President and Vice President shall have such powers and perform such duties as the Board of Directors, the Chairman of the Board or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these By-Laws.

Section 11. The Secretary. The Secretary shall attend and keep the minutes of meetings of the stockholders, of the Board of Directors and (unless

the Board designates a secretary or secretaries for a committee or committees) of all committees, in one or more books provided for that purpose; give notice of all meetings in accordance with these By-Laws and as required by law; have charge of the seal of the Corporation; he may sign with the Chairman of the Board, President, Executive Vice President, Senior Vice President, Vice President, or Assistant Vice President, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board of Directors, or by any committee thereunto duly authorized, and, when so ordered or authorized he shall affix the seal of the Corporation thereto; he shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall, at all reasonable times, be open to the examination of any Director, upon application at the office of the Corporation during business hours; prepare and submit to the Board of Directors or the President such reports and data as may be requested of him; and in general perform all the duties incident to the office of Secretary, and such other duties as from time to time may be assigned to him by the Board of Directors or the President. The Board of Directors may from time to time delegate to another officer or person any of the duties usually performed by the Secretary to the extent permitted by law.

Section 12. The Assistant Secretary. At the request of the Secretary or in the event of his absence or inability to act, the Assistant Secretary or, if there be more than one, any of the Assistant Secretaries, shall (unless the Board directs otherwise) perform the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each Assistant Secretary shall perform such other duties as from time to time may be assigned to him by the President, the Secretary, or the Board of Directors.

Section 13. The Treasurer. The Treasurer shall be under the direction of the officer who has been designated by the Board of Directors. The principal financial officer of the Corporation may also hold the position of Treasurer if so approved by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine (and in the event such bond be required, a new bond shall be taken at least every six years). The Treasurer shall have charge and custody of, and be responsible for, all funds, securities, notes, valuable effects and financial records of the Corporation, receive and give receipt for moneys due and payable to the Corporation from any sources whatsoever; when necessary or proper he shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depository or depositories as the Board of Directors may designate; he shall cause such funds of the Corporation to be disbursed by checks or drafts on the authorized banks or depositories of the Corporation signed as provided in these By-Laws or by resolution of the Board of Directors; he shall be responsible for the accuracy of the amounts of, and cause to be preserved, proper vouchers for all moneys so disbursed; he shall enter or cause to be entered regularly in the books of the Corporation, to be kept by him or under his supervision for that purpose, a full and accurate account of all the moneys received and paid by him on account of the Corporation; he shall render to the Board of Directors, the Chairman of the Board, or the President, whenever they shall require him so to do, a statement of the cash account and such other financial statements as may be prepared from the financial records, and as soon as may be practicable after the close of each fiscal year make and submit to the Board of Directors like report or reports for such fiscal year; and in general perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him by the Board of Directors or the President. The Board of Directors may from time to time delegate to another officer or person any of the duties usually performed by the Treasurer to the extent permitted by law.

Section 14. The Assistant Treasurer. If required by the Board of Directors, the Assistant Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine (and in the event such bond be required, a new bond shall be taken at least every six years). At the request of the Treasurer or in the event of his absence or inability to act, the Assistant Treasurer or, if there be more than one, any of the Assistant Treasurers, shall (unless the Board directs otherwise) perform the duties of the Treasurer and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each Assistant Treasurer shall perform such other duties as from time to time may be assigned to him by the President, the Treasurer, or the Board of Directors.

Section 15. Salaries. The salaries of all officers of the Corporation shall be determined or provided for from time to time by the Board of Directors. No officer shall be prevented from receiving any such salary because he is also a member of the Board of Directors.

ARTICLE VI

Limitation of Liability and Indemnification of Directors, Officers and Certain

Representatives of the Corporation

Section 1. Limitation of Liability. No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken in good faith as a director, member of a directors' committee or officer of the Corporation, if such person exercised or used the same degree of care and skill as a prudent man would have exercised or used under the circumstances in the conduct of his own affairs. Without limitation on the foregoing, any such person shall be deemed to have exercised or used such degree of care and skill if he took or omitted to take such action in reliance in good faith upon advice of counsel for the Corporation, or the books of account or other records of the Corporation, or reports or information made or furnished to the Corporation by any officials, accountants, engineers, agents or employees of the Corporation, or by an independent certified public accountant or auditor, engineer, appraiser or other expert employed by the Corporation and selected with reasonable care by the Board of Directors, by any such committee or by an authorized officer of the Corporation.

Section 2. Indemnification of Directors, Officers and Employees.

The Corporation shall indemnify, in the manner and to the full extent permitted by the laws of the State of Delaware, any former or present director, officer or employee of the Corporation or of any subsidiary of the Corporation (or the estate of any such person) who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of the Corporation, and whether civil, criminal, administrative, investigative or otherwise, by reason of the fact that such person is or was a director, officer or employee of the Corporation, or is or was serving any other enterprise at the request of the Corporation; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized in advance by the Board of Directors of the Corporation. The Corporation may, to the full extent permitted by the laws of the State of Delaware, purchase and maintain insurance on behalf of any such person against any liability which may be asserted against him. To the full extent permitted by the laws of the State of Delaware, the indemnification provided herein shall include expenses (including attorney's fees), judgments, fines and amounts paid in settlement. In the manner provided by law, any such expenses may be, and any such expenses incurred by any former or present director or officer of the Corporation shall be, paid by the Corporation in advance of the final disposition of such action, suit or proceeding. The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses to the full extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. No amendment to or repeal of this Section 2 of Article VI shall apply or be effective to limit or reduce the indemnification rights provided under this Section 2 of Article VI with respect to any acts or omissions occurring prior to such amendment or repeal.

ARTICLE VII

Contracts, Checks, Drafts, Bank Accounts, Books and Records, etc.

Section 1. Execution of Contracts. The Board of Directors may authorize any officer or officers or agent or agents of the Corporation to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

Section 2. Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized (i) by the Board of Directors, or (ii) by a Committee of the Board if the Board of Directors has delegated to any such Committee the power to make such authorizations. When so authorized any officer or agent of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes or other evidences of indebtedness of the Corporation, and, when authorized so to do by the Board of Directors, and, if required by law, by the stockholders, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge, hypothecate or transfer any real or personal property at any time held by the Corporation and to that end execute deeds of trust, and instruments of mortgage or pledge, or otherwise transfer said property.

Section 3. Checks, Drafts, etc. All checks, drafts, orders for the payment of money, obligations and bills of exchange shall be signed or endorsed (except endorsements for collection for the account of the Corporation or for deposit to its credit) by such officer or officers,

employee or employees or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. Each of such officers and employees shall give such bond, if any, as the Board of Directors shall determine.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in one or more of such banks, trust companies or other depositories as the Board of Directors may select or as may be selected by any officer or officers or agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be endorsed, assigned and delivered by any officer or agent of the Corporation to whom such power is so delegated.

Section 5. General and Special Bank Accounts. The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with one or more of such banks, trust companies or other depositories as the Board of Directors may select or as may be selected by any officer or officers, agent or agents of the Corporation to whom power in that respect shall have been delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these By-Laws, as it may deem expedient.

Section 6. Proxies in Respect of Stock or Other Securities of Other Corporations. Unless otherwise provided by resolutions adopted by the Board of Directors, the Chairman of the Board, the President, any Executive Vice President, any Group Vice President, any Senior Vice President, any Vice President, the Secretary or the Treasurer of the Corporation, or any one or more of them shall have full power and authority to exercise in the name and on behalf of the Corporation all the powers and rights, including the right to vote and consent, which the Corporation may have as the holder of stock or other securities in any other corporation, and from time to time to appoint an attorney or attorneys or an agent or agents, or proxy or proxies with like power and authority in respect of such stock or other securities, and may instruct the person or persons so appointed as to the manner of exercising such powers and rights, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he or they may deem necessary or proper in order that the Corporation may exercise its said powers and rights. The Board of Directors from time to time may by resolution confer like powers and authority upon any other person or persons.

ARTICLE VIII

Books and Records

The books and records of the Corporation may be kept outside of the State of Delaware, at the general office of the Corporation in Dallas, Texas, or at such other place or places as may be from time to time designated or selected by the Board of Directors.

ARTICLE IX

Shares and Their Transfer;

Examination of Books

Section 1. Certificates for Stock. Every owner of stock of the Corporation shall be entitled to have a certificate in such form not inconsistent with the Certificate of Incorporation as the Board of Directors shall prescribe, certifying the number and class of shares of stock of the Corporation owned by him. The certificates representing shares of the respective classes of such stock (if there be more than one) shall state the name of the person owning the shares represented thereby, shall be numbered in the order in which they shall be issued, and shall be signed in the name of the Corporation by the Chairman of the Board or the President or an Executive Vice President or a Group Vice President or a Senior Vice President or a Vice President or by the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary of the Corporation and its seal shall be affixed thereto; provided, however, that where such certificate is countersigned by (1) a transfer agent other than the Corporation or its employee, or (2) a registrar other than the Corporation or its employee, if the Board of Directors shall by resolution so authorize, any of the signatures of the foregoing officers of the Corporation and the seal of the Corporation may be facsimile. In case any officer of the Corporation, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the person owning the shares represented by each certificate, the number of shares, and the date of issue shall be entered on the stock ledger of the Corporation. Every certificate surrendered to the corporation for exchange or transfer shall be cancelled and a new certificate or certificates shall not be issued in exchange for any existing certificate, until such existing certificate shall have been so cancelled, except in cases provided for in Section 4 of Article IX.

Section 2. Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, or with a transfer clerk or a transfer agent appointed as provided in Section 3 of Article IX, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock are registered on the books of the Corporation shall be deemed and treated as the owner thereof for all purposes; and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of the State of Delaware.

Section 3. Regulations. The Board of Directors may make such rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

Section 4. Lost, Destroyed, Stolen, and Mutilated Certificates. The holder of any stock of the Corporation shall immediately notify the Corporation of any loss, destruction, theft, or mutilation of the certificate therefor, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, destroyed, stolen, or mutilated, upon the surrender of the mutilated certificate, or in the case of loss, destruction, or theft of the certificate, upon satisfactory proof of such loss, destruction, or theft. The Board of Directors may, in its discretion, as a condition precedent to the issuance of a new certificate, require the owner of the lost, destroyed, or stolen certificate or his legal representatives to give the Corporation a bond in such sum, limited or unlimited, and in such form and with such surety or sureties, as the Board shall in its uncontrolled discretion determine, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, destruction, or theft of any such certificate, or the issuance of such new certificates.

Section 5. Fixing Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE X

Seal

The corporate seal of the Corporation shall be in the form of a circle and shall bear the full name of the Corporation, the state and year of incorporation, and the words "Corporate Seal." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced. The seal shall be retained by the Secretary. A duplicate of the seal may be kept and used by the Treasurer, by an Assistant Secretary or Assistant Treasurer, or by any other employee authorized by resolution of the Board of Directors.

ARTICLE XI

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE XII

Notices and Waivers Thereof

Whenever under the provisions of the law of the State of Delaware, of the Certificate of Incorporation, or these By-Laws notice of any nature is required to be given to any director, officer or stockholder, unless otherwise provided by law or expressly provided by these By-Laws, such notice may be given personally, or it may be given in writing by depositing the same in the post office or a letter box maintained and kept by the United States Government in a postpaid sealed envelope addressed to such director, officer or stockholder at such address as appears upon the books of the Corporation, or, in default of other address, to such director, officer or stockholder at the general post office in the City of Wilmington, Delaware, and such notice shall be deemed to be given at the time when the same shall be thus mailed; a waiver of such notice in writing signed by the person or persons entitled to such notice, or a telegram, cable or wireless sent by such person, whether before or after the time stated therein shall be deemed equivalent to notice.

Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice.

ARTICLE XIII

Annual Financial Statement

The Board of Directors shall cause to be published and submitted to the stockholders, at least fifteen days in advance of their annual meeting, the Corporation's annual financial statement covering the previous fiscal year, and containing such other information and data as the Board of Directors may deem appropriate.

ARTICLE XIV

Amendments

These By-Laws, as they shall be at any time and whether or not previously altered, amended or added to, may be made, altered, amended or repealed from time to time by the Board of Directors by the affirmative vote of a majority of the authorized number of directors at any regular or special meeting of directors if notice of the proposed change was contained in the notice of such meeting. The stockholders also, by the affirmative vote of a majority of the stock issued, outstanding and entitled to vote may from time to time make, alter, amend or repeal the By-Laws at any regular or special meeting if notice of the proposed change was contained in the notice of the meeting; and any addition, alteration, amendment or repeal effected by the Board of Directors may be altered, amended or repealed by the stockholders in the manner hereinabove set forth.

Amended and Restated
 TI DEFERRED COMPENSATION PLAN
 (Effective January 1, 1998)

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TI DEFERRED COMPENSATION PLAN

TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation with its principal offices in Dallas, Texas (hereinafter referred to as "TI" or "the Company"), does hereby amend, restate, and continue the TI Deferred Compensation Plan (hereinafter referred to as the "Plan").

TI adopted the TI Supplemental Pension and Profit Sharing Benefit Plan effective as of September 8, 1978, and the TI Supplemental Pension and Profit Sharing Benefit Plan II as of January 1, 1993. Both such plans were amended from time to time. These supplemental plans supplemented pension benefits provided under the TI Employees Pension Plan and defined contribution plan benefits provided under the TI Employees Universal Profit Sharing Plan. The provisions of such supplemental plans relevant to, and supplementing pension benefits under, the TI Employees Pension Plan were amended, restated and merged into the TI Employees Supplemental Pension Plan, effective January 1, 1998. The supplemental pension plan obligations accrued under the two prior such supplemental plans will be provided on and after January 1, 1998, under the TI Employees Supplemental Pension Plan.

The provisions of the two prior supplemental plans relevant to, and supplementing benefits under, the TI Employees Universal Profit Sharing Plan, and effective January 1, 1998, the TI Employees Retirement and Profit Sharing Plan, are hereby amended, restated and merged into this Plan, the TI Deferred Compensation Plan, effective January 1, 1998.

Following January 1, 1998, the TI Supplemental Pension and Profit Sharing Benefit Plan and the TI Supplemental Pension and Profit Sharing Plan II, as amended from time to time, shall not apply to any Employee of any Employer who has not yet commenced receipt of benefits under such supplemental plans prior to January 1, 1998. The benefits of Employees or Beneficiaries in pay status prior to January 1, 1998, under such supplemental plans shall continue to be determined under the provisions of the prior supplemental plans, as applicable, and not under this Plan.

This Plan as so amended and restated shall be effective as of January 1, 1998.

The purposes of the Plan are:

- (i) to provide to a select group of management and highly compensated employees, as described in section 201(2) of the Employee Retirement Income Security Act of 1974 ("ERISA"), the opportunity to defer to a later date payment of certain compensation which they may earn; and
- (ii) to restore certain benefits which cannot be provided under the TI Employees Universal Profit Sharing Plan or the TI U.S. Employees Retirement and Profit Sharing Plan as a result of that deferral of compensation or by reason of the application of section 401(a)(17)

and/or section 415 of the Internal Revenue Code of 1986, as amended (the "Code").

ARTICLE I
DEFINITIONS AND CONSTRUCTION

Whenever used in this Plan, the following words and phrases shall have the meanings set forth below, unless a different meaning is plainly required by the context. Unless otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term in the singular shall also include the plural.

Sec. 1-1. Accounts. "Accounts" means both the Benefit Restoration Account and the Deferred Compensation Account of a Participant.

Sec. 1-2. Administrator "Administrator" means the person or persons from time to time acting under the provisions of Article V hereof.

Sec. 1-3. Beneficiary. "Beneficiary" means the person or persons named by a Participant who is not married as his or her Beneficiary, co-Beneficiary, or contingent Beneficiary. "Beneficiary" means, in the case of a married Participant, the spouse of the Participant to whom the Participant was married at the time of his or her death, provided that a married Participant shall be entitled to designate one or more Beneficiaries or contingent Beneficiaries other than the Participant's spouse to receive any amount payable under the Plan in the event of his or her death and from time to time to change such designation. Such designation of a non-spousal Beneficiary shall not be effective unless:

- (i) the spouse of the Participant consents in writing to such designation and the spouse's consent acknowledges the effect of such designation and is witnessed by a Plan representative or a notary public; or
- (ii) the Participant establishes to the satisfaction of the Administrator that such spouse's consent may not be obtained because the spouse cannot be located.

Any consent by a spouse (or the establishment that consent of a spouse may not be obtained) shall be effective only with respect to that spouse. Such spouse may revoke his or her consent by filing prior to the Termination of Employment of the Participant a revocation in such form and manner as the Administrator shall specify. The Administrator may rely on the representations by the Participant as to whether the Participant has no spouse or the spouse cannot be located and shall have no liability for such reliance. All Beneficiary designations and changes of Beneficiary Designations shall be made in accordance with such rules and regulations, as the Administrator shall prescribe.

A person who is an alternate payee under a qualified domestic relations order may be considered a Beneficiary for purposes of this Plan.

Sec. 1-4. Benefit Restoration Account "Benefit Restoration Account" means the bookkeeping account of a Participant maintained by TI which reflects contributions and earnings posted pursuant to Section 3-4 hereof.

Sec. 1-5. Benefit Restoration Only Participant. "Benefit Restoration Only Participant" means a Participant for whom a Benefit Restoration Account is maintained but who is not a Designated Employee.

Sec. 1-6. Board of Directors. "Board of Directors" means the Board of Directors of TI or of any Subsidiary which has adopted this Plan.

Sec. 1-7. Change in Control. "Change in Control" means an event which shall be deemed to have occurred when:

- (i) any Person, alone or together with its Affiliates and Associates or otherwise, shall become an Acquiring Person (otherwise than pursuant to a transaction or agreement approved by the Board of Directors prior to the time the Acquiring Person became such); or
- (ii) a majority of the Board of Directors of the Company shall change within any 24-month period, unless the election or the nomination for election by the Company's stockholders of each new director has been approved by a vote of at least a majority of the directors then still in office who were directors at the beginning of the Period. For the purposes hereof, the terms "Persons", "Affiliates", "Associates", "Acquiring Person" and "Period" shall have the meanings given to such terms in the Rights Agreement dated as of June 17, 1988, between the Company and Harris Trust and Savings

Bank, successor in interest to First Chicago Trust Company of New York (formerly Morgan Shareholder Services Trust Company), as in effect on the date hereof, provided, however, that if the percentage employed in the definition of Acquiring Person is reduced hereafter from 20% in such Rights Agreement or any successor Rights Agreement, then such reduction shall also be applicable for the purposes hereof.

Sec. 1-8. Code. "Code" means the Internal Revenue Code of 1986, as amended.

Sec. 1-9. Compensation. "Compensation" for a Participant who is a participant in the Universal Plan shall have the same meaning as in the Universal Plan. "Compensation" for a Participant who is also a participant in the U.S. Retirement Plan shall have the same meaning as in the U.S. Retirement Plan. Additionally, "Compensation" for purposes of this Plan shall include:

- (i) all Compensation or Incentive Compensation deferred pursuant to Section 3-2 hereof; and
- (ii) all Compensation that was excluded from consideration under the Universal Plan or the U.S. Retirement Plan because of the limitations under section 401(a)(17) and/or section 415 of the Code.

Sec. 1-10. Compensation Committee. "Compensation Committee" means the Compensation Committee of the Board of Directors of TI.

Sec. 1-11. Deferred Compensation Agreement. "Deferred Compensation Agreement" means an agreement pursuant to which a Designated Employee elects to defer part of his or her Compensation and which specifies:

- (i) that the Designated Employee agrees to participate in this Plan in accordance with its provisions; and
- (ii) that this Plan is incorporated by reference and the Deferred Compensation Agreement shall be subject to this Plan in all respects.

Sec. 1-12. Deferred Compensation Account. "Deferred Compensation Account" means the bookkeeping account of a Participant maintained by TI, which reflects contributions and earnings posted pursuant to Section 3-2 hereof.

Sec. 1-13. Designated Employee. "Designated Employee" means an employee of TI or a Subsidiary who is designated by the Compensation Committee as eligible to defer compensation pursuant to this Plan during a Plan Year.

Sec. 1-14. Election Period. "Election Period" means the period specified by the Administrator at least once during a Plan Year during which Participants may enter into or amend existing Deferred Compensation Agreements. All elections made during the Election Period shall be subject to the provisions of this Plan.

Sec. 1-15. Employee. "Employee" means any employee of TI or its subsidiaries, whether full or part-time.

Sec. 1-16. Employer. "Employer" means Texas Instruments Incorporated and any other corporation and any other member of the controlled group of corporations (as defined in section 414(b) of the Code) which includes TI and which adopts the Universal Plan or the U.S. Retirement Plan, unless the controlled group member's adopting resolutions specifically provide that while adopting the Universal Plan or the U.S. Retirement Plan, it is not adopting this Plan. In any event, among the Employers, TI shall have sole power to amend or terminate this Plan.

Sec. 1-17. ERISA. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

Sec. 1-18. Incentive Compensation. "Incentive Compensation" means a Participant's cash incentive award under the Texas Instruments' Executive Officer Performance Plan and Annual Performance Bonus Plan, as amended from time to time, and any successor to those plans.

Sec. 1-19. Participant. "Participant" means both an Active Participant and an Inactive Participant, as such terms are defined in this Section 1-19.

- (i) "Active Participant" means an Employee who participates in this Plan in accordance with Article II hereof and who is not an "Inactive Participant" as defined in (ii) below.
- (ii) "Inactive Participant" shall include:

- (a) with respect to the Deferred Compensation Account, a Designated Employee who has a Deferred Compensation Account balance but who did not execute a Deferred Compensation Agreement for the current Plan Year in accordance with Article III hereof, and
- (b) an Employee who has either a Deferred Compensation Account balance, but who is no longer a Designated Employee, or
- (c) a former Employee who has a Deferred Compensation Account balance and/or a Benefit Restoration Account balance and who has had a Termination of Employment.

Sec. 1-20. Plan Year. "Plan Year" means a calendar year.

Sec. 1-21. Subsidiary. "Subsidiary" means any entity whose assets and net income are included in the consolidated financial statements of TI and its subsidiaries audited by TI's independent auditors and reported to shareholders in the published annual report to shareholders.

Sec. 1-22. Termination of Employment. "Termination of Employment" means the complete cessation of the employer-employee relationship between TI or any Subsidiary and a Participant, including a leave of absence from which the Administrator, in its sole discretion, determines that the Participant is not expected to return.

Sec. 1-23. Universal Plan. "Universal Plan" means the TI Employees Universal Profit Sharing Plan.

Sec. 1-24. U.S. Retirement Plan. "U.S. Retirement Plan" means the TI U.S. Employees Retirement and Profit Sharing Plan.

Sec. 1-25. Construction. This Plan is not intended to constitute a "qualified plan" subject to the limitations of section 401(a) of the Code, nor shall it constitute a "funded plan", for purposes of such requirements. It is intended that this Plan shall be exempt from the participation and vesting requirements of Part 2 of Title I of ERISA, the funding requirements of Part 3 of Title I of ERISA and the fiduciary requirements of Part 4 of Title I of ERISA by reason of the exclusions afforded plans which are unfunded and maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions of this plan shall continue in full force and effect. This Plan shall be governing construed in accordance with the laws of the State of Texas, except to the extent otherwise required by applicable federal law. Heading and subheadings are for the purpose of reference only and are not to be considered in the construction of this Plan. Where this Plan supplements benefits under the Universal Plan and the U.S. Retirement Plan, this Plan is functionally and operationally related to such plans, and is to be interpreted in a manner consistent with the Universal Plan and the U.S. Retirement Plan to provide the benefits contemplated hereunder in a comprehensive manner.

ARTICLE II ELIGIBILITY AND PARTICIPATION

Sec. 2-1. Eligibility. A Designated Employee as of October 31 of the immediately preceding Plan Year, and such other Employees as the Compensation Committee may designate as Designated Employees from time to time, shall be eligible to participate in:

- (i) a Deferred Compensation Account during such Plan Year in accordance with the provisions of Section 2-2 below, and/or
- (ii) a Benefit Restoration Account in accordance with the provisions of Section 2-3 or Section 2-4 below.

Any Employee who receives a credit pursuant to Section 2-3 or Section 2-4 shall be a Participant, but will be a Benefit Restoration Only Participant unless the Employee is also a Designated Employee. The participation of a Benefit Restoration Only Participant, and the participation of a Designated Employee who is subject to Section 2-3 or Section 2-4 shall be automatic. The participation of a Designated Employee in a Deferred Compensation Account is elective, as described below.

Sec. 2-2. Participation in a Deferred Compensation Account. A Designated Employee shall become a Participant in a Deferred Compensation Account by completing a Deferred Compensation Agreement in the manner and form

(including without limitation, telephonic and electronic transmission, utilization of voice response systems and computer entry) specified by the Administrator or by electing to defer Compensation as provided in Section 3-2 below.

Sec. 2-3. Participation in a Benefit Restoration Account for Participants in the U.S. Retirement Plan.

- (i) An Employee will become a Participant in this Plan, and a Benefit Restoration Account in the name of the Participant will be credited with contributions not credited to such Participant's "Contribution" or "Profit Sharing" accounts under the U.S. Retirement Plan for that Plan Year as of the date the limitations under section 401(a)(17) and/or section 415 of the Code are first applicable, so that allocations under the U.S. Retirement Plan allocable to such accounts of such Participant are restricted.
- (ii) An Employee will become a Participant in this Plan, and a Benefit Restoration Account in the name of such Participant will be credited with "Employer 401(m) Contributions" not credited to the Participant's "401(k) Account" under the U.S. Retirement Plan for that Plan Year as of the date the limitations under section 401(a)(17) and/or section 415 of the Code first restrict contributions or allocations under the U.S. Retirement Plan; provided that the Participant has made an election under the U.S. Retirement Plan to defer the maximum amount of compensation permitted under section 402(g) of the Code.
- (iii) A Designated Employee will become a Participant in this Plan and a Benefit Restoration Account in the name of the Designated Employee Participant will be credited with contributions not credited to the Participant's "Contribution Account", "Profit Sharing Account", and with "Employer 401(m) Contributions" not credited to the Designated Employee Participant's "401(k) Account" under the U.S. Retirement Plan for that Plan Year because the Designated Employee Participant deferred compensation under this Plan, as of date deferred Compensation or deferred Incentive Compensation is credited to the Participant's Deferred Compensation Account pursuant to Section 3-2 below; provided that no "Employer 401(m) Contributions" restoration shall be made unless the Participant has made an election under the U.S. Retirement Plan to defer the maximum amount of compensation permitted under section 402(g) of the Code.

Sec. 2-4. Participation in a Benefit Restoration Account for Participants in the Universal Plan.

- (i) An Employee will become a Participant in this Plan and a Benefit Restoration Account in the name of such Participant will be credited with contributions not credited to the Participant's "Universal Profit Sharing Account" under the Universal Plan for that Plan Year, as of the date the limitations under section 401(a)(17) and/or section 415 of the Code are first applicable, so that allocations under the Universal Plan to the "Universal Profit Sharing Account" under the Universal Plan of such Participant are restricted.
- (ii) Designated Employee will become a Participant in this Plan, and a Benefit Restoration Account in the name of such Participant will be credited with "Employer Matched Savings Contributions" not credited to the Designated Employee Participant's "Cash or Deferred Account" under the Universal Plan for that Plan Year because the Designated Employee Participant deferred compensation under this Plan, as of the date the Compensation or Incentive Compensation is credited to the Participant's Deferred Compensation Account pursuant to Section 3-2 below; provided that the Participant has made an election under the Universal Plan to defer the maximum amount of compensation permitted under section 402(g) of the Code. Notwithstanding anything in this Section 2-4 to the contrary, no contributions shall be credited under this Plan on account of "Employer Matched Savings Contributions" that cannot be credited to the Participant's "Cash or Deferred Account" under the Universal Plan by reason of section 415 of the Code.
- (iii) A Designated Employee will become a Participant in this Plan and a Benefit Restoration Account in the name of such Participant will be credited with contributions not credited to the Participant's "Universal Profit Sharing Account" under the Universal Plan for that Plan Year because the Designated Employee Participant deferred compensation under this Plan, as of the date the Compensation or Incentive Compensation is credited to the Participant's Deferred Compensation Account pursuant to Section 3-2 below.

Article III

PARTICIPANT ACCOUNTS

Sec. 3-1. Participant Accounts. TI shall maintain for each Participant an unfunded bookkeeping Deferred Compensation Account and/or Benefit Restoration Account to which shall be credited or debited all contributions and any earnings and losses that would have been incurred thereon if the Accounts had been invested as directed by the Participant pursuant to this Article III. Except as provided in Section 3-5, a Participant shall at all time have a fully vested and nonforfeitable right to the amounts credited to his or her Deferred Compensation Account under this Plan, and to the extent the Participant is vested in corresponding benefits under the Universal Plan or the U.S. Retirement Plan, the Participant shall be vested in the amounts credited to his or her Benefit Restoration Account, subject to the distribution provisions and other requirements of this Plan.

Sec. 3-2. Elections by Participants for a Deferred Compensation Account.

- (i) A Designated Employee who elects to participate in a Deferred Compensation Account may, during the Election Period, elect to defer into a Deferred Compensation Account no more than 90% of the Designated Employee's Incentive Compensation for the next Plan Year. A Participant's election to defer Incentive Compensation during any succeeding Plan Year is irrevocable and shall become effective as of the first month of the Plan Year immediately following such Election Period.
- (ii) A Designated Employee who elects to participate in a Deferred Compensation Account may, at any time, elect to defer into a Deferred Compensation Account no more than 10% of the Designated Employee's Compensation (exclusive of Incentive Compensation) during a Plan Year. An election for deferral of Compensation other than Incentive Compensation shall become effective on the later to occur of:
 - (a) the pay period immediately following the pay period in which the election was made; and
 - (b) the date the Participant has deferred the maximum amount permitted under section 402(g) of the Code into the Participant's "Cash or Deferred Account" under the Universal Plan or "401(k) account" under the U.S. Retirement Plan, as applicable.

The Employer of a Designated Employee Participant shall credit to the Designated Employee Participant's Deferred Compensation Account the amount of Compensation (exclusive of Incentive Compensation) and/or Incentive Compensation the Participant has elected to defer. Such amount shall be credited as of the date the compensation deferred would otherwise have been paid to the Participant in the absence of the Participant's deferral election.

Sec. 3-3. Benefit Restoration Accounts. The Employer of a Participant shall credit to the Benefit Restoration Account of such Participant all of the following that apply:

- (i) the amount of any "Employer 401(m) Contributions" which would have been made but which were not made under the U.S. Retirement Plan because either the provisions of section 401(a)(17) and/or section 415 of the Code applied to restrict contributions or the Participant deferred compensation pursuant to Section 3-2 above, provided that such contribution, when added to any 401(m) contribution actually made pursuant to the U.S. Retirement Plan, does not exceed 4% of the amount of Compensation received by such Participant during the Plan Year.
- (ii) the amount of any contributions to the Participant's "Contribution Account" or "Profit Sharing Account" under the U.S. Retirement Plan, which were not made to the U.S. Retirement Plan because of the application of section 401(a)(17) and/or section 415 of the Code or because the Participant deferred compensation pursuant to Section 3-2 above;
- (iii) the amount of any "Matched Savings Contribution" under the Universal Plan which would have been credited but which was not credited under the Universal Plan solely because the Designated Employee deferred compensation pursuant to Section 3-2 above, provided that such contribution, when added to any "Matched Savings Contribution" actually made pursuant to the Universal Plan, does not exceed 2% of such Designated Employee's Compensation during the Plan Year; and

- (iv) the amount of any contributions to the Participant's "Profit Sharing Account" under the Universal Plan which were not credited to the Universal Plan because of the application of section 401(a)(17) and/or section 415 of the Code or because the Participant deferred compensation pursuant to Section 3-2 above.

Sec. 3-4. Investment Performance of Contributions. As soon as the Administrator determines that it is administratively feasible, a Participant may direct the Administrator to value amounts deferred pursuant to Section 3-2 above or restored pursuant to Section 3-3 above so as to reflect the performance of any of the participant investment funds authorized under the U.S. Retirement Plan. Separate directions may be made with respect to amount already credited to a Participant's accounts and with respect to amounts to be credited in the future.

Participant investment performance directions may be made not more often than once each day. Each such direction which conforms to the terms and conditions specified by the Administrator shall be effective as soon as practicable after it is made and shall continue in effect until revoked or modified by a new direction.

If a Participant has made no investment performance direction pursuant to this Section 3-4 then the Participant's Accounts shall be valued as follows:

- (i) any Deferred Compensation Account of such Participant established pursuant to Section 3-2 shall reflect the performance of the "Income Fund" under the U.S. Retirement Plan;
- (ii) the portion of the Benefit Restoration Account established pursuant to Section 3-3 (ii) or (iv) above, for "Profit Sharing Contributions" not made to the U.S. Retirement Plan or Universal Plan, shall reflect the performance of "TI Stock Fund" under the U.S. Retirement Plan; and
- (iii) the remainder of the Benefit Restoration Account established pursuant to Section 3-1 above shall be valued to reflect the Participant's investment performance direction, if any, for his or her Deferred Compensation Account. If no performance election was made under the Deferred Compensation Account, or the Participant is a Benefit Restoration Account Only Participant, the remainder of the Benefit Restoration Account shall reflect the investment performance of the "Income Fund" under the U.S. Retirement Plan.

Sec. 3-5. Withdrawal of Contributions. During a Plan Year, a Participant may withdraw funds credited to the Participant's Deferred Compensation Account, not to exceed 100% of the Participant's Deferred Contribution Account balance on December 31 of the immediately preceding Plan Year. A Participant who makes such an election shall forfeit 10% of the amount withdrawn and the Participant's Deferred Contribution Account shall be adjusted to reflect such forfeiture. Withdrawals shall be made as soon as practicable after the Administrator receives a request for a withdrawal of funds. A Participant may not withdraw funds credited to the Benefit Restoration Account until after the date of the Participant's Termination of Employment, in which event distribution shall be made pursuant to Section 3-6.

Sec. 3-6. Election for Distribution of Participant Accounts.

- (i) At the earlier of the time a Designated Employee Participant first elects to defer Incentive Compensation or Compensation other than Incentive Compensation, or when any Participant is credited with an allocation to the Participant's Benefit Restoration Account, the Participant shall elect the form of distribution to be made from the Participant's Accounts. Such election shall be made in such manner and form (including without limitation, telephonic and electronic transmission, utilization of voice response systems and computer entry) as specified by the Administrator, subject to Section 3-6(ii) and (iii) below. Such election shall remain in effect until a subsequent distribution election becomes effective.
- (ii) An election of form of payment of distribution of an Account may be revoked and a new election substituted therefor only during the Enrollment Period. Any substituted election shall not become effective until 12 months after the date of such election.
- (iii) Participants may elect to receive distribution of their Accounts in the following forms, subject to Section 3-7 and Section 3-8:
 - (a) a lump sum payable within 5 years from the date distribution could first be made under this Section 3-6;

- (b) annual installments to be paid over any period of 5 years; provided that the Accounts must be fully distributed within 10 years from the date the first distribution could have been made pursuant to this Section 3-6; or
- (c) annual installments to be paid over 10 years; provided that the Accounts must be fully distributed within 15 years from the date the first distribution could have been made pursuant to this Section 3-6.

If no election for distribution of a Deferred Compensation Account or Benefit Restoration Account has been made, such account shall be distributed in a lump sum as soon as administratively practicable, subject to Section 3-7.

Sec. 3-7. Distribution of Participant Accounts.

- (i) TI shall maintain each Participant's bookkeeping Deferred Compensation Account and/or Benefit Restoration Account until distributed, subject to Section 6-1(ii) and to the following:
 - (a) if the cumulative amount credited to the Participant's Accounts at the Participant's Termination of Employment is less than \$25,000.00, the Participant's Accounts shall be distributed in a lump sum as soon as practicable; or
 - (b) if the cumulative amount credited to the Participant's Accounts at the Participant's Termination of Employment is greater than \$25,000, the Participant's Accounts shall be distributed to the Participant in the manner elected by the Participant pursuant to Section 3-6 hereof.
- (ii) The Administrator, in its sole and absolute discretion, may require that a lump sum distribution of any amounts remaining credited to a Participant's Accounts be made to any Participant following such Participant's Termination of Employment if the Participant thereafter becomes affiliated with a governmental agency or with any private company or firm which the Administrator believes, in its sole and absolute direction, to be in competition with TI.
- (iii) In the event of a Change of Control, distribution of the Accounts of all Participants shall be made in a lump sum no later than the month following the month during which such Change of Control occurred, and accounts shall reflect this distribution, as provided in Section 3-7(v) below. The Plan shall thereafter continue to be administered, following the Change of Control, in accordance with its terms as though the Change of Control had not occurred (provided that Accounts shall be adjusted to reflect the distribution).
- (iv) Notwithstanding the foregoing, in the event of the death of a Participant prior to the receipt of the full amount to be distributed, one-half of the then balance credited to the Participant's Accounts will be distributed as soon as practicable following the month in which the death occurred. Such distribution shall be made to the Beneficiary or Beneficiaries designated by the Participant, or if there is no Beneficiary designation under this Plan, to the Participant's beneficiary under the Universal Plan or U.S. Retirement Plan, as applicable. If no beneficiary was designated under either of those plans, distribution will be made to the Participant's estate. Any amounts which were not distributed in the year of the Participant's death or which were credited to the Participant's Accounts during the Plan Year in which the Participant's death occurs shall be distributed as soon as practicable after March 16 of the following Plan Year, with the exact date of distribution to be determined by the Administrator, in its sole and absolute discretion.
- (v) Accounts shall be adjusted to reflect all distributions.

Sec. 3-8. Time of Distribution

- (i) Except as otherwise elected by the Participant, distributions shall commence on or before the last day of the month immediately following the month in which the Participant's Termination of Employment occurs, except as provided below:
 - (a) Amounts deferred pursuant to Section 3-2 for the Plan Year prior to the Plan Year in which the Participant's Termination of Employment occurs shall not be distributed before March 16 of the current Plan Year.
 - (b) Amounts deferred pursuant to Section 3-2 for the Plan Year

during which a Participant's Termination of Employment occurs shall not be distributed before March 16 of the Plan Year immediately following the Plan Year in which the Participant's Termination of Employment occurs.

- (ii) Distributions to be paid in a Plan Year following a Participant's Termination of Employment shall be paid after March 15 and before April 1 of that Plan Year.
- (iii) The amount of the distribution pursuant to paragraph (i) above for the Plan Year in which the Participant's Termination of Employment occurs, shall not, when combined with such Participant's other remuneration by TI for such Plan Year, exceed the amount that would be deductible by TI for Federal income tax purposes by reason of section 162(m) of the Code. Any amount not distributed pursuant to this paragraph (iii) shall be distributed in March of the Plan Year immediately following, subject to the same limitation,

Sec. 3-9. Taxes. TI makes no guarantees and assumes no obligation or responsibility with respect to a Participant's Federal, state, or local income, estate, inheritance or gift tax obligations, if any, under this Plan or any Deferred Compensation Agreement. Any taxes required to be withheld from payments to payee under this Plan shall be deducted and withheld by the Company, benefit provider or funding agent appointed under the Plan.

Sec. 3-10. Assignment. Except as provided in Section 3-11 below, no Participant or Beneficiary of a Participant shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien on any amounts payable hereunder. No amounts payable hereunder shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act, or by operation of law, or subject to attachment, execution, garnishment, sequestration or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Participants and their Beneficiaries.

Sec. 3-11. Spousal Claims. Any claim against any benefits hereunder for child support, spousal maintenance or alimony shall be treated in the same manner as would a claim for corresponding benefits under the U.S. Retirement Plan or the Universal Plan and shall be subject to all claims provisions and restriction of those plans. The Administrator may delegate the administration of spousal claims to the Profit Sharing Administration Committee under the U.S. Retirement Plan and the Universal Plan.

Sec. 3-12. Payment in the Event of Legal Disability. If a Participant or Beneficiary entitled to distribution from the Plan is under a legal disability, or in the sole judgment of the Administrator is unable to apply such distribution to his or her own interest and advantage, the Administrator may direct the Plan to make such payment, to be expended for his or her benefit in any one or more of the following ways:

- (i) directly to such person;
- (ii) such person's legal guardian or conservator; or
- (iii) to such person's spouse or to any person charged with his or her support.

The decision of the Administrator shall in each case be final and binding upon all persons in interest. Any such payment shall completely discharge the obligation of the Administrator, TI and the Plan with respect to such payment.

ARTICLE IV FUNDING

Sec. 4-1. Funding Benefits under this Plan shall be funded solely by the Employers. Benefits payable under this Plan shall be paid from the general assets of the Employers and this Plan shall constitute the Employers' unfunded and unsecured promise to pay such benefits. Notwithstanding the foregoing, TI may create reserves, funds, and provide for amounts to be held in trust on behalf of the Employers under such trust agreements or custodial arrangements as the Compensation Committee in its absolute and sole discretion deems appropriate.

Sec. 4-2. Creditor Status. A Participant and his or her Beneficiary or Beneficiaries shall be general creditors of the Employers with respect to the payment of any benefit under this Plan.

ARTICLE V
ADMINISTRATION OF THE PLAN

Sec. 5-1. Administration. The Administrator shall be charged with the administration of the Plan and shall have the power and authority as may be necessary and appropriate for such purposes, including (but not by way of limitation), the defense of lawsuits and conduct of litigation in the name of the Plan (subject to the approval of the General Counsel of TI), the full power and discretion to interpret and construe this Plan where it concerns question of eligibility or status, and subject to the opportunity for review of denied claims pursuant to Section 5-5 below, rights of Participants and others hereunder, and in general decide any dispute arising under this Plan. In all such cases the determination of the Administrator shall be final, conclusive and binding with respect to Participants and Beneficiaries.

Sec. 5-2. Number and Selection. The Plan shall be administered by an Administrator or Administrators appointed by the Compensation Committee. Each Administrator shall serve without compensation for services in connection with the administration of this Plan and TI shall pay the expenses of administering the Plan.

Sec. 5-3. Action by Administrator.

- (i) If the Administrator is one person, that person shall determine all actions delegated to the Administrator, except as otherwise provided below.
- (ii) If more than one person is appointed Administrator, all actions of the Administrator shall be by a majority of the persons so appointed, except as otherwise provided below. Such actions may be taken at a meeting of the Administrators or without a meeting by a resolution or memorandum signed by all the persons then appointed Administrator. No Administrator shall be entitled to vote or decide upon any matter pertaining to himself or herself individually but such matter shall be determined by the remaining Administrator or by a majority of the remaining Administrators, if any, or if the Administrator is one person, by the Compensation Committee.

The Administrator may appoint agents, retain legal counsel and other services, and perform such acts as may be necessary for the proper administration of the Plan.

Sec. 5-4. Accounts of Participants. The Administrator shall maintain records of all accounts of Participants and such other records and data as may be necessary and appropriate for the proper administration of the Plan and to determine the amounts distributable to Participants and Beneficiaries.

Sec. 5-5. Rules and Regulations. The Administrator may adopt and promulgate such rules and regulations as it may deem appropriate for the administration of the Plan. The Administrator shall adopt and promulgate written rules governing claims procedures reasonably calculated to:

- (i) provide adequate written notice to any Participant or other person whose claim under the Plan has been denied, setting forth the specific reasons for such denial; and
- (ii) afford a reasonable opportunity to such Participant or other person for a full and fair review by the Plan Administrator of the decision denying the claim.

The determination of the Administrator upon such review shall be final and conclusive.

Sec. 5-6. Reliance on Documents. The Administrator shall be entitled to rely upon, and shall have no liability in relying upon, any representation made to it by TI or any officer of TI, or upon any paper or document believed by it to be genuine and to have been signed or sent by the proper person.

Sec. 5-7. Non-Liability. No member of the Board of Directors, nor Administrator, nor any officer or employee of TI shall be liable for any act done or omitted by him or her with respect to the Plan except for his or her own willful misconduct.

Sec. 5-8. Resignation or Removal. Any Administrator may resign by giving written notice to the Compensation Committee and may be removed by the Compensation Committee by giving written notice to the Administrator. Upon the death, resignation, removal or inability of any Administrator to act as such, the Compensation Committee may appoint a successor.

Sec. 5.9. Information: Overpayment or Underpayment of Benefits. In implementing the terms of this Plan the Administrator may, without the consent of notice to any person, release to or obtain from any entity or other organization or person information, with respect to any persons, which the Administrator deems to be necessary for such purpose. Any Participant or Beneficiary claiming benefits under this Plan shall furnish to the Administrator such information as may be necessary to determine eligibility for and amount of benefit, as a condition of claim to and receipt of such benefit. The Administrator may adopt, in its sole discretion, whatever rules procedures and accounting practices it determines to be appropriate in providing for the collection of any overpayment of benefits. If a Participant or Beneficiary receives an underpayment of benefits, the Administrator shall direct that immediate payment be made to make up for the underpayment. If an overpayment is made to a Participant or Beneficiary for whatever reason, the Administrator in its sole discretion, may withhold payment of any further benefits under the Plan until the overpayment has been collected or may require repayment of benefits paid under this Plan without regard to further benefits to which the Participant or Beneficiary may be entitled.

ARTICLE VI GENERAL PROVISIONS

Sec. 6-1. Amendment, Termination.

- (i) The Compensation Committee of the Board of Directors of TI may change, amend, modify, alter, or terminate the Plan at any time and in any manner except that no such amendment, modification, or alteration shall be exercised retroactively to alter or change the rights of Participants or their Beneficiaries insofar as they relate to past deferrals, nor shall any such amendment divest any Participant of any deferral made prior to the amendment. The Company intends to continue this Plan indefinitely, but nevertheless assumes no contractual obligation to continue this Plan or makes any promise to pay benefits other than as provided under this Plan.
- (ii) The Board of Directors of TI reserves to its Compensation Committee the right to discontinue deferrals under a Deferred Compensation Agreement at any time. In the event of such discontinuance TI reserves the right to distribute to each Participant the full value of the Participant's Deferred Compensation Account at any time or times.

Sec. 6-2. Plan Not an Employment Contract. The Plan is not an employment contract. It does not give to any person the right to be continued in employment, and all Participants remain subject to change of compensation, transfer, change of job, discipline, layoff, discharge or any other change of employment status. Nothing contained in this Plan shall prevent a Participant or the Beneficiary from receiving, in addition to any payments provided for under this Plan, any payments provided for any other Plan or benefit program of the Company, or which would otherwise be payable or distributable to him or her or his or her surviving spouse or beneficiary. Nothing in this Plan shall be construed as preventing TI or any of its Subsidiaries from establishing any other or different Plans providing for current or deferred compensation for employees.

Sec. 6-3. Rights of Persons Making Claims. No Employee, Designated Employee or Participant, or any person or entity claiming through an Employee, Designated Employee or Participant, shall have any rights whatsoever other than the rights and benefits specifically granted under this Plan.

Sec. 6-4. Status of Benefits in this Plan. No benefits accrued under, credited to Accounts under, or paid under this Plan shall constitute "earnings" or "compensation" for purposes of any other benefit plan sponsored by the Employers.

IN WITNESS WHEREOF, Texas Instruments Incorporated has caused this instrument to be executed by its duly authorized officer.

Texas Instruments Incorporated

By: /s/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President, General Counsel and Secretary

FIRST AMENDMENT
TO RESTATED
TI DEFERRED COMPENSATION PLAN

TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation with its principal offices in Dallas, Texas (hereinafter referred to as "TI" or the "Company"), hereby adopts the First Amendment to the restated TI Deferred Compensation Plan.

TI adopted the TI Supplemental Pension and Profit Sharing Benefit Plan effective as of September 8, 1978, and the TI Supplemental Pension and Profit Sharing Benefit Plan II as of January 1, 1993. Both such plans were amended from time to time. These supplemental plans supplemented pension benefits provided under the TI Employees Pension Plan and defined contribution plan benefits provided under the TI Employees Universal Profit Sharing Plan. The provisions of such supplemental plans relevant to, and supplementing pension benefits under, the TI Employees Pension Plan were amended, restated and merged into the TI Employees Supplemental Pension Plan, effective January 1, 1998. The supplemental pension plan obligations accrued under the two such supplemental plans are provided on and after January 1, 1998, under the TI Employees Supplemental Pension Plan. The provisions of the two supplemental plans relevant to, and supplementing benefits under, the TI Employees Universal Profit Sharing Plan, and effective January 1, 1998, the TI Employees Retirement and Profit Sharing Plan, were amended, restated and merged into the TI Deferred Compensation Plan (the "Plan") effective January 1, 1998.

This First Amendment to the restated TI Deferred Compensation Plan shall be effective as of the dates indicated below. Except as hereby amended by this First Amendment to the restated TI Deferred Compensation Plan, the Plan, as amended and restated effective January 1, 1998, shall continue in full force and effect.

1. Effective January 1, 1998, a new Section 1-20A is hereby added, to appear between Section 1.20 and Section 1.21 of the Plan. The new Section 1.20A shall read as follows:

"Sec. 1-20A. SSI Plans. "SSI Plans" means the Silicon Systems, Inc. Incentive Stock Plan, effective July 14, 1995 and as amended thereafter, and/or the Silicon Systems, Inc. Phantom Stock Plan, effective April 1, 1993, and as amended thereafter."

2. The following provisions are hereby added to Section 3.2(i), at the end thereof:

"Additionally, commencing with elections effective for the 1999 Plan Year, if a Designated Employee holds an award of incentive stock or phantom stock granted under the SSI Plans, the Designated Employee may elect during the Election Period to defer into a Deferred Compensation Account no more than 90% of the proceeds otherwise payable under the terms of the SSI Plans upon the redemption of phantom stock or incentive stock under the SSI Plans by the Designated Employee in the subsequent Plan Year. A Participant's election to defer the receipt of redemption proceeds under the SSI Plans for the succeeding Plan Year is irrevocable and shall become effective as of the first month of the Plan Year next following such Election Period.

Effective January 1, 1998, if a Designated Employee holds an award of phantom stock under the SSI Plans, and the phantom stock shares subject to the award will lapse due to the passage of time after March 31, 1998, and on or before December 31, 1998 (pursuant to the terms of paragraph 7 of the SSI Plans), the Designated Employee may elect to defer the proceeds of the exercise of such otherwise lapsing phantom stock shares by electing on or before March 31, 1998, to defer into a Deferred Compensation Account no more than 90% of the proceeds otherwise payable under the terms of the SSI Plans upon the redemption of the phantom stock that is subject to lapse in 1998 under the SSI Plans by the Designated Employee. A Participant's election to defer the receipt in 1998 of such proceeds under the SSI Plans must be made on or before March 1, 1998, and shall be irrevocable. If no election is made to redeem the phantom

stock subject to lapse, any deferral election to defer proceeds shall be ineffective and such phantom stock shall lapse in accordance with the provisions of the SSI Plans."

3. Except as amended by this First Amendment, the Company hereby ratifies the Plan as last amended and restated effective January 1, 1998.

IN WITNESS WHEREOF, Texas Instruments Incorporated has caused this instrument to be executed by its duly authorized officer.

Texas Instruments Incorporated

By: /s/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President, General Counsel and Secretary

SECOND AMENDMENT
TO RESTATED
TI DEFERRED COMPENSATION PLAN

TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation with its principal offices in Dallas, Texas (hereinafter referred to as "TI" or the "Company") hereby adopts this Second Amendment to the restated TI Deferred Compensation Plan.

This Second Amendment to the restated TI Deferred Compensation Plan shall be effective as of the dates indicated below. Except as hereby amended by this Second Amendment to the restated TI Deferred Compensation Plan, the Plan, as previously amended, shall continue in full force and effect.

1. Effective January 1, 2000, a new Section 1-6A is hereby added, to appear between Section 1-6 and Section 1-7 of the Plan. The new Section 1-6A shall read as follows:

"Sec. 1-6A. Cash Profit Sharing Compensation. "Cash Profit Sharing Compensation" means the cash profit sharing bonus payable for a Plan Year under the Company's cash profit sharing bonus program, as amended from time to time, and any successor to that program."

2. Effective January 1, 2000, Section 1-9(i) is hereby amended in the entirety to read as follows:

"(i) All Compensation, Cash Profit Sharing Compensation or Incentive Compensation deferred pursuant to Section 3-2 hereof; and"

3. Effective January 1, 2000, a new Section 1-21A is hereby added, to appear between Section 1-21 and Section 1-22 of the Plan. The new Section 1-21A shall read as follows:

"Sec. 1-21A. Supplemental Plan Cashout. "Supplemental Plan Cashout" means the supplemental benefit amount credited to the Participant's Deferred Compensation Account pursuant to Section 3-2(iii) and no longer payable under the TI Supplemental Pension Plan."

4. Effective January 1, 2000, a new Section 3-2(ii) is hereby added, and Section 3-2(ii), as it appears before this Second Amendment, is hereby renumbered as Section 3-2(iv). The new Section 3-2(ii) shall read as follows:

"(ii) A Designated Employee who elects to participate in a Deferred Compensation Account may, during the Election Period, elect to defer into the Deferred Compensation Account no more than 90% of the Designated Employee's Cash Profit Sharing Compensation payable in the next Plan Year. A Participant's election to defer Cash Profit Sharing Compensation during any succeeding Plan Year is irrevocable and shall become effective as of the first month of the Plan Year immediately following such Election Period."

5. A new Section 3-2(iii) is hereby added, between the new Section 3-2(ii) added by the preceding paragraph and Section 3-2(iv), as renumbered by the preceding paragraph. The new Section 3-2(iii) shall read as follows:

"(iii) A Designated Employee who elects to participate in a Deferred Compensation Account may elect to defer a Supplemental Plan Cashout to be credited to the Designated Employee Participant's Account. The deferral election for such deferral must be given not later than the calendar year preceding the calendar year in which the Designated Employee shall retire (or be subject to any other event creating an entitlement to payment) under the TI Employees Pension Plan."

6. Effective January 1, 2000, Section 3-2(iv) (renumbered by paragraph 4 above) is hereby amended in the entirety to read as follows:

"(iv) A Designated Employee who elects to participate in a Deferred Compensation Account may, at any time, elect to defer into the Deferred Compensation Account no more than 25% of the Designated Employee's Compensation (exclusive of Incentive Compensation and Cash Profit Sharing Compensation) during a Plan Year. An election for deferral of Compensation other than Incentive Compensation, Cash Profit Sharing Compensation and/or a Supplemental Plan Cashout shall become effective as of the pay period immediately following the pay period in which the election was made and shall remain in effect until changed by a subsequent election, which shall not be effective until the pay period immediately following the pay period in which the subsequent election was made."

7. Effective January 1, 2000, the final paragraph of Section 3-2 is hereby amended in the entirety to read as follows:

"The Employer of a Designated Employee Participant shall credit to the Designated Employee Participant's Deferred Compensation Account the amount of Compensation (exclusive of Incentive Compensation, Cash Profit Sharing Compensation and/or a Supplemental Plan Cashout) the Participant has elected to defer, and the amount of Cash Profit Sharing Compensation, Incentive Compensation and/or Supplemental Plan Cashout the Participant has elected to defer. Such amounts shall be credited as of the date the compensation so deferred would otherwise have been paid to the Participant in the absence of the Participant's deferral election."

8. Effective October 1, 1999, new subparagraphs (d), (e) and (f) shall be added to Section 3-6(iii), to follow subparagraph 3-6(iii)(c). The word "or" is deleted following the semicolon at the end of Section 3-6(iii)(b), and a semicolon is inserted in lieu of the period ending Section 3-6(iii)(c). The new subparagraphs shall read as follows:

"(d) lump sum payable upon the date on which the Participant attains the age of 60 years;

(e) a lump sum payable on the date on which the Participant attains the age of 65 years; or

(f) a lump sum payable on the date on which the Participant attains the age of 70 1/2 years."

9. Effective January 1, 1998, a new Section 3-7(vi) is hereby added, to follow Section 3-7(v). The new Section 3-7(vi) shall read as follows:

"(vi) Distributions and withdrawals under Article III shall be made by check or wire transfer of cash and may be made through a paying agent or recordkeeper selected by the Administrator."

10. Except as amended by this Second Amendment, the Company hereby ratifies the Plan as last amended and restated effective January 1, 1998, and as amended thereafter. Attached hereto as an Annex is a copy of the Plan reflecting the Plan as it shall read after incorporation of the amendments made through this Second Amendment and all preceding amendments, and reflecting the provisions in effect as of January 1, 2000.

IN WITNESS WHEREOF, Texas Instruments Incorporated has caused this instrument to be executed by its duly authorized officer.

Texas Instruments Incorporated

By: /s/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President, General Counsel and Secretary

TI SUPPLEMENTAL PENSION PLAN

Texas Instruments Incorporated, a Delaware corporation with its principal offices in Dallas, Texas, (hereafter "TI" or "the Company") does hereby amend, restate, and continue the TI Supplemental Pension and Profit Sharing Benefit Plan and the TI Supplemental Pension and Profit Sharing Benefit Plan II in part as the TI Supplemental Pension Plan (hereinafter referred to as the "Plan").

TI adopted the TI Supplemental Pension and Profit Sharing Benefit Plan effective as of September 8, 1978, and the TI Supplemental Pension and Profit Sharing Benefit Plan II as of January 1, 1993. Both such plans were amended from time to time. These two supplemental plans supplemented pension benefits provided under the TI Employees Pension Plan and defined contribution plan benefits provided under the TI Employees Universal Profit Sharing Plan. The provisions of such supplemental plans relevant to, and supplementing pension benefits under, the TI Employees Pension Plan are hereby amended, restated and merged into this Plan, effective January 1, 1998. The supplemental pension plan obligations accrued under the two prior such supplemental plans will be provided under this Plan on and after January 1, 1998.

The provisions of the two supplemental plans relevant to, and supplementing benefits under, the TI Employees Universal Profit Sharing Plan, and effective January 1, 1998, the TI Employees Retirement and Profit Sharing Plan, were amended, restated and merged into the TI Deferred Compensation Plan (the "Deferred Compensation Plan").

Following January 1, 1998, the TI Supplemental Pension and Profit Sharing Benefit Plan and the TI Supplemental Pension and Profit Sharing Plan II, as amended from time to time, shall not apply to any Employee of any Employer who has not commenced receipt of benefits under such supplemental plans prior to January 1, 1998. The benefits of Employees or Beneficiaries in pay status prior to January 1, 1998, under such supplemental plans shall continue to be determined under the provisions of the prior supplemental plans, as applicable, and not under this Plan.

This Plan as so amended and restated shall be effective as of January 1, 1998.

The purpose of the Plan is to restore certain benefits which cannot be provided under the TI Employees Pension Plan as a result of deferral of compensation under the Deferred Compensation Plan or by reason of the application of section 401(a)(17) and/or section 415 of the Internal Revenue Code of 1986, as amended (the "Code"), to a select group of management and highly compensated employees, as described in section 201(2) of the Employee Retirement Income Security Act of 1974 (hereinafter referred to as "ERISA"). With respect to benefits or contributions lost under the TI Employees Pension Plan by reason of the operation of section 415 of the Code, this Plan is intended to constitute an "excess benefit plan", as defined in Section 3 of ERISA, that is exempt from the provisions of ERISA by reason of section 4(b)(5) of ERISA.

Article I
Definitions and Construction

Whenever used in this Plan, the following words and phrases shall have the meanings set forth below, unless a different meaning is plainly required by the context. Unless otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term in the singular shall also include the plural.

Sec. 1-1. Administrator. "Administrator" means the person or persons from time to time acting under the provisions of Article V hereof.

Sec. 1-2. Beneficiary. "Beneficiary" means the person or persons named by a Participant who is not married as his or her Beneficiary, co-Beneficiary, or contingent Beneficiary under the TI Employees Pension Plan. "Beneficiary" means, in the case of a married Participant, the spouse of the Participant to whom the Participant was married at the time of his or her death unless the Participant has designated another joint annuitant, contingent annuitant, Beneficiary, co-Beneficiary, or contingent Beneficiary under the TI Employees Pension Plan, in which case such persons or person shall be the Beneficiary(ies) under this Plan.

A person who is an alternate payee under a qualified domestic relations order may be considered a Beneficiary for purposes of this Plan.

Sec. 1-3. Board of Directors. "Board of Directors" means the Board of Directors of TI or of any Subsidiary which has adopted this Plan.

Sec. 1-4. Code. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

Sec. 1-5. Compensation Committee. "Compensation Committee" means the Compensation Committee of the Board of Directors of TI.

Sec. 1-6. Deferred Compensation Plan. "Deferred Compensation Plan" means the TI Deferred Compensation Plan.

Sec. 1-7. Employee. "Employee" means any employee of TI or its Subsidiaries, whether full or part-time.

Sec. 1-8. Employer. "Employer" means Texas Instruments Incorporated and any other corporation which may become a party to this Plan; provided that TI shall have sole power to amend or terminate this Plan.

Sec. 1-9. ERISA. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

Sec. 1-10. Participant. "Participant" means both a Participant who is accruing or has accrued a benefit pursuant to designation under Article III.

Sec. 1-11. Plan Year. "Plan Year" means a calendar year.

Sec. 1-12. Subsidiary. "Subsidiary" means any entity whose assets and net income are included in the consolidated financial statements of TI and its subsidiaries audited by TI's independent auditors and reported to shareholders in the published annual report to shareholders.

Sec. 1-13. Termination of Employment. "Termination of Employment" means the complete cessation of the employer-employee relationship between TI or any Subsidiary and a Participant, including a leave of absence from which the Administrator, in its sole discretion, determines that the Participant is not expected to return.

Sec. 1-14. Construction. This Plan is not intended to constitute a "qualified plan" subject to the limitations of section 401(a) of the Code, nor shall it constitute a "funded plan", for purposes of such requirements. It is intended that this Plan shall be exempt from the participation and vesting requirements of Part 2 of Title I of ERISA, the funding requirements of Part 3 of Title I of ERISA and the fiduciary requirements of Part 4 of Title I of ERISA by reason of the exclusions afforded plans which are unfunded and maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. If any provision of this Plan is determined to be for any reason invalid or unenforceable, the remaining provisions of this plan shall continue in full force and effect. This Plan shall be governing construed in accordance with the laws of the State of Texas, except to the extent otherwise required by reference only and are not to be considered in the construction of this Plan. This Plan is functionally and operationally related to the TI Employees Pension Plan, and is to be interpreted in a manner consistent with the TI Employees Pension Plan to provide the benefits contemplated hereunder in a comprehensive manner.

Article II Eligibility and Participation

Sec. 2-1. Eligibility and Participation. Any Employee shall be eligible for participation in this Plan, and shall automatically become a Participant in the event, that, pursuant to the terms of Article III, any amount would be payable to the Participant under this Plan. In the event that a Participant shall have a Termination of Employment prior to becoming vested in any benefit under the TI Employees Pension Plan, the Participant shall forfeit any benefits accrued under this Plan. Conversely, in the event the Participant shall separate from employment with a vested interest in benefits under the TI Employees Pension Plan, the Participant shall have a vested interest in the corresponding benefits under this Plan. Until a vested Participant has received payment of all benefits credited to or accrued by the Participant hereunder, the participation of the Participant in this Plan shall continue.

Article III Supplemental Benefits

Sec. 3-1. Supplemental Benefits. The benefit payable under this Plan to a Participant shall be the difference between the benefit actually payable under the TI Employees Pension Plan at the time of computation (and in the form of benefit for which the computation is made) and the benefit that would be payable under the TI Employees Pension Plan if:

- (a) the TI Employees Pension Plan contained no limit on the Compensation that may be considered under section 401(a)(17) of the Code (for purposes of the calculation and accrual of benefits under the TI Employees Pension Plan);
- (b) "Compensation" for each plan year under the TI Employees Pension Plan included amounts electively deferred, if any, by a Participant under the Deferred Compensation Plan from earnings that would have constituted Compensation for such plan year under the TI Employees Pension Plan, had such amounts not be electively deferred and/or, if applicable, had section 401(a)(17) of the Code not precluded the consideration of such earnings as Compensation (in the absence of such deferral); for such purpose, no amounts of "Incentive Compensation", as such term is defined in the TI Deferred Compensation Plan, shall be considered as Compensation for purposes of calculating this benefit (whether or not such Incentive Compensation is deferred under the Deferred Compensation Plan; and.
- (c) the TI Employees Pension Plan contained no limit pursuant to section 415 of the Code upon the maximum amount of pension that be paid by the TI Employees Pension Plan (such as the limits in effect on January 1, 1998, under Section 5.12 of the TI Employees Pension Plan).

Sec. 3-2. Payment of Supplemental Benefit. Subject to Section 3-3, the benefit determined pursuant to Section 3-1 shall be paid to the person entitled thereto as though it were a part of the benefit being paid to such person under the TI Employees Pension Plan, so that it is payable at the same time, and in the same form, and subject to the same limits and restrictions (other than the limitations referenced in subparagraphs (a), (b) and (c) of Section 3-1) as such person's benefits are subject to under the TI Employees Pension Plan. In the event that the benefits under the TI Employees Pension Plan are payable in the form of a direct rollover, the benefits payable under this Plan shall be payable as though the benefits under the TI Employees Pension Plan were payable in the normal form of benefit applicable to such person.

Sec. 3-3. Restrictions. No benefits accrued under this Plan may be withdrawn by, or distributed to, a Participant while the Participant remains employed by the Company or an Affiliate. No loans may be made to any Participant with respect to benefits accrued under this Plan. Benefits payable under this Plan may not be rolled over or transferred to an individual retirement account or to any other employee benefit plan. No distribution shall be made under this Plan by reason of a distribution under the TI Employees Pension Plan that is made pursuant to section 401(a)(9) of the Code. In the event that payment of benefits under the TI Employees Pension Plan is suspended, payment of corresponding benefits under this Plan will be similarly suspended. Benefits provided under this Plan shall not constitute earnings or compensation for purposes of determining contributions or benefits under any other employee benefit plan of the Employers.

Sec. 3-4. Taxes. TI makes no guarantees and assumes no obligation or responsibility with respect to a Participant's Federal, state, or local income, estate, inheritance or gift tax obligations, if any, under this Plan. Any taxes required to be withheld from payment to payees hereunder shall be deducted and withheld by the Company, benefit provider or funding agent.

Sec. 3-5. Assignment. Except as provided in Section 3-6 below, no Participant or Beneficiary of a Participant shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien on any amounts payable hereunder. No amounts payable hereunder shall be subject to assignment or transfer or otherwise be alienable, either by voluntary or involuntary act, or by operation of law, or subject to attachment, execution, garnishment, sequestration or other seizure under any legal, equitable or other process, or be liable in any way for the debts or defaults of Participants and their Beneficiaries.

Sec. 3-6. Spousal Claims. Any claim against any benefits hereunder for child support, spousal maintenance or alimony shall be treated in the same manner as would a claim for corresponding benefits under the TI Employees Pension Plan and shall be subject to all claims provisions and restrictions of the TI Employees Pension Plan. The Administrator may delegate the administration of spousal claims to the Administration Committee under the TI Employees Pension Plan.

Sec. 3-7. Payment in the Event of Legal Disability. If a Participant or Beneficiary entitled to distribution from the Plan is under a legal disability, or in the sole judgment of the Administrator is unable to apply such distribution to his or her own interest and advantage, the Administrator may direct the Plan to make such payment, to be expended for his or her benefit in any one or more of the following ways:

- (a) directly to such person;
- (b) such person's legal guardian or conservator; or
- (c) to such person's spouse or to any person charged with his or her support.

The decision of the Administrator shall in each case be final and binding upon all persons in interest. Any such payment shall completely discharge the obligation of the Administrator, TI and the Plan with respect to such payment.

Article IV Funding

Sec. 4-1. Funding. Benefits under this Plan shall be funded solely by the Employers. Benefits payable under this Plan shall be paid from the general assets of the Employers and this Plan shall constitute the Employers' unfunded and unsecured promise to pay such benefits. Notwithstanding the foregoing, TI may create reserves, funds, and provide for amounts to be held in trust on behalf of the Employers under such trust agreements or custodial arrangements as the Compensation Committee in its absolute and sole discretion deems appropriate.

Sec. 4-2. Creditor Status. A Participant and his or her Beneficiary or Beneficiaries shall be general creditors of TI with respect to the payment of any benefit under this Plan.

Article V Administration of the Plan

Sec. 5-1. Administration. The Administrator shall be charged with the administration of the Plan and shall have the power and authority as may be necessary and appropriate for such purposes, including (but not by way of limitation), the defense of lawsuits and conduct of litigation in the name of the Plan (subject to the approval of the General Counsel of TI), the full power and discretion to interpret and construe this Plan where it concerns question of eligibility or status, and subject to the opportunity for review of denied claims pursuant to Section 5-5 below, the rights of Participants and others hereunder, and in general decide any dispute arising under this Plan. In all such cases the determination of the Administrator shall be final, conclusive and binding with respect to Participants and Beneficiaries.

Sec. 5-2. Number and Selection. The Plan shall be administered by an Administrator or Administrators appointed by the Compensation Committee. Each Administrator shall serve without compensation for services in connection with the administration of this Plan and TI shall pay the expenses of administering the Plan.

Sec. 5-3. Action by Administrator.

(a) If the Administrator is one person, that person shall determine all actions delegated to the Administrator, except as otherwise provided below.

(b) If more than one person is appointed Administrator, all actions of the Administrator shall be by a majority of the persons so appointed, except as otherwise provided below. Such actions may be taken at a meeting of the Administrator or without a meeting by a resolution or memorandum signed by all the persons then appointed Administrator. No Administrator shall be entitled to vote or decide upon any matter pertaining to himself or herself individually but such matter shall be determined by the remaining Administrator or by a majority of the remaining Administrators, if any, or if the Administrator is one person, by the Compensation Committee.

The Administrator may appoint agents, retain legal counsel and other services, and perform such acts as may be necessary for the proper administration of the Plan.

Sec. 5-4. Recordkeeping. The Administrator shall maintain records and data as may be necessary and appropriate for the proper administration of the Plan and shall determine the amounts distributable to Participants and Beneficiaries.

Sec. 5-5. Rules and Regulations. The Administrator may adopt and promulgate such rules and regulations as it may deem appropriate for the

administration of the Plan. The Administrator shall adopt and promulgate written rules governing claims procedures reasonably calculated to:

(i) provide adequate written notice to any Participant or other person whose claim under the Plan has been denied, setting forth the specific reasons for such denial; and

(ii) afford a reasonable opportunity to such Participant or other person for a full and fair review by the Plan Administrator of the decision denying the claim.

The determination of the Administrator upon such review shall be final and conclusive.

Sec. 5-6. Reliance on Documents. The Administrator shall be entitled to rely upon, and shall have no liability in relying upon, any representation made to it by TI or any officer of TI, or upon any paper or document believed by it to be genuine and to have been signed or sent by the proper person.

Sec. 5-7. Non-Liability. No member of the Board of Directors, nor Administrator, nor any officer or employee of TI shall be liable for any act done or omitted by him or her with respect to the Plan except for his or her own willful misconduct.

Sec. 5-8. Resignation or Removal. Any Administrator may resign by giving written notice to the Compensation Committee and may be removed by the Compensation Committee by giving written notice to the Administrator. Upon the death, resignation, removal or inability of any Administrator to act as such, the Compensation Committee may appoint a successor.

Sec. 5.9. Information: Overpayment or Underpayment of Benefits. In implementing the terms of this Plan the Administrator may, without the consent of notice to any person, release to or obtain from any entity or other organization or person information, with respect to any persons, which the Administrator deems to be necessary for such purpose. Any Participant or Beneficiary claiming benefits under this Plan shall furnish to the Administrator such information as may be necessary to determine eligibility for and amount of benefit, as a condition of claim to and receipt of such benefit. The Administrator may adopt, in its sole discretion, whatever rules, procedures and accounting practices it determines to be appropriate in providing for the collection of any overpayment of benefits. If a Participant or Beneficiary receives an underpayment of benefits, the Administrator shall direct that immediate payment be made to make up for the underpayment. If an overpayment is made to a Participant or Beneficiary for whatever reason, the Administrator in its sole discretion, may withhold payment of any further benefits under the Plan until the overpayment has been collected or may require repayment of benefits paid under this Plan without regard to further benefits to which the Participant or Beneficiary may be entitled.

Article VI General Provisions

Sec. 6-1. Amendment, Termination. The Compensation Committee of the Board of Directors of TI may change, amend, modify, alter, or terminate the Plan at any time and in any manner, prospectively or retroactively, except that no such amendment, modification, alteration or termination shall be exercised retroactively to reduce or eliminate the benefit accrued by a Participant to the date of amendment, modification or termination. The Company intends to continue this Plan indefinitely, but nevertheless assumes no contractual obligation beyond the promise to pay the benefits described in this Plan.

Sec. 6-2. Plan Not an Employment Contract. The Plan is not an employment contract. It does not give to any person the right to be continued in employment, and all Participants remain subject to change of compensation, transfer, change of job, discipline, layoff, discharge or any other change of employment status. Nothing contained in this Plan shall prevent a Participant or Beneficiary from receiving, in addition to any payments provided for under this Plan, any payments provided for any other Plan or benefit program of the Employers, or which would otherwise be payable or distributable to him or her or his or her surviving spouse or Beneficiary. Nothing in this Plan shall be construed as preventing TI or any of its subsidiaries from establishing any other or different Plans providing for current or deferred supplemental compensation for employees.

Sec. 6-3. Rights of Persons Making Claims. No Employee, or Participant, or any person or entity claiming through an Employee or Participant, shall have any rights whatsoever other than the rights and benefits specifically granted under this Plan.

In witness whereof, Texas Instruments Incorporated has caused this instrument to be executed by its duly authorized officer.

Texas Instruments Incorporated:

By: /s/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President, General Counsel
and Secretary

FIRST AMENDMENT
TO
TI SUPPLEMENTAL PENSION PLAN

TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation with its principal offices in Dallas, Texas (hereinafter referred to as "TI" or the "Company") hereby adopts this First Amendment to the TI Supplemental Pension Plan, which was amended and restated in the entirety effective as of January 1, 1998.

This First Amendment to the TI Supplemental Pension Plan shall be effective January 1, 2000. Except as hereby amended, the TI Supplemental Pension Plan, as hereby amended, shall continue in full force and effect.

1. Section 3-2 is hereby amended and restated in the entirety to read as follows:

"Sec. 3.2. Payment of Supplemental Benefit. Subject to Section 3-3, and except to the extent deferred pursuant to the Deferred Compensation Plan, the benefit determined pursuant to Section 3-1 shall be paid to the person entitled thereto as though it were a part of the benefit being paid to such person under the TI Employees Pension Plan, so that it is payable at the same time, and in the same form, and subject to the same limits and restrictions (other than the limitations referenced in subparagraphs (a), (b) and (c) of Section 3-1) as such person's benefits are subject to under the TI Employees Pension Plan. In the event that benefits under the TI Employees Pension Plan are payable in the form of a direct rollover, unless the benefits payable under this Plan are deferred pursuant to the terms and provisions of the Deferred Compensation Plan, the benefits payable under this Plan shall be payable as though the benefits under the TI Employees Pension Plan were payable in the normal form of benefit applicable to such person. If only part of the Participant's benefit under this Plan are deferred pursuant to the terms and provisions of the Deferred Compensation Plan, the remaining benefits, after actuarial adjustment to reflect the amount deferred, shall be paid in accordance with the preceding provisions of this Section 3-2."

2. Section 3-3 is hereby amended and restated in the entirety to read as follows:

"Sec. 3-3. Restrictions. No benefits accrued under this Plan may be withdrawn by, or distributed to, a Participant while the Participant remains employed by the Company or an Affiliate, provided that all or a part of the benefits payable under this Plan may be deferred pursuant to the terms and provisions of the Deferred Compensation Plan. No loans may be made to any Participant with respect to benefit accrued under this Plan. Except to the extent deferred pursuant to the terms and provisions of the Deferred Compensation Plan, benefits payable under this Plan may not be rolled over or transferred to an individual retirement account or to any other employee benefit plan. No distribution shall be made under this Plan by reason of a distribution under the TI Employees Pension Plan that is made pursuant to section 401(a)(9) of the Code. In the event that payment of benefits under the TI Employees Pension Plan is suspended and the benefits under this Plan have not been deferred pursuant to the terms and provisions of the Deferred Compensation Plan, payment of corresponding benefits under this Plan will be similarly suspended. To the extent that a Participant defers payment of benefits under this Plan pursuant to the terms and provisions of the Deferred Compensation Plan, the Participant shall not be entitled to benefits under this Plan, but the corresponding deferred benefits shall be payable in accordance with the terms and provision of the Deferred Compensation Plan. In the event that only a part of the benefits of the Participant under this Plan are deferred pursuant to the Deferred Compensation Plan, the remaining benefits, actuarially adjusted to reflect subtraction of the amount so deferred, shall be payable in accordance with Section 3-1. Actuarial equivalency calculations shall be determined by the Administrator, in its sole and absolute discretion. Benefits provided under this Plan shall not constitute earnings or compensation for purposes of determining contributions or benefits under any other employee benefit plan of the Employers."

3. The first sentence of Section 3-5 is hereby amended to read as follows:

"Except as provided in Section 3-6 below, or except as the Participant may defer payment of benefits under this Plan pursuant to the terms and provisions of the Deferred Compensation Plan, no Participant or beneficiary of a Participant shall have any right to assign, pledge, hypothecate, anticipate or in any way create a lien on any amounts payable hereunder."

4. Except as hereby amended by this First Amendment to TI Supplemental Pension Plan, the TI Supplemental Pension Plan as previously amended and restated effective January 1, 1998 is hereby ratified.

IN WITNESS WHEREOF, Texas Instruments Incorporated has caused this instrument to be executed by its duly authorized officer.

Texas Instruments Incorporated:

By: /s/ RICHARD J. AGNICH

Richard J. Agnich
Senior Vice President, General Counsel
and Secretary

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
EARNINGS PER COMMON AND DILUTIVE POTENTIAL COMMON SHARE

	Years ended December 31		
	1999	1998	1997
Income from continuing operations before extraordinary item (in millions).....	\$ 1,406	\$ 416	\$ 339
Add: Interest, net of tax and profit sharing effect, on convertible debentures assumed converted.....	--	--	--
Adjusted income from continuing operations before extraordinary item.....	1,406	416	339
Discontinued operations:			
Income from operations.....	--	--	52
Gain on sale.....	--	--	1,473
Extraordinary item.....	--	--	(22)
Adjusted net income.....	\$ 1,406	\$ 416	\$ 1,842
Diluted earnings per common and dilutive potential common share:			
Weighted average common shares outstanding (in thousands).....	804,198	796,900	785,641
Weighted average dilutive potential common shares:			
Stock option and compensation plans.....	32,562	21,350	19,661
Convertible debentures.....	--	--	6,534
Weighted average common and dilutive potential common shares...	836,760	818,250	811,836
Diluted earnings per common share:			
Income from continuing operations before extraordinary item.....	\$ 1.68	\$.51	\$.42
Discontinued operations:			
Income from operations.....	--	--	.07
Gain on sale.....	--	--	1.81
Extraordinary item.....	--	--	(.03)
Net income.....	\$ 1.68	\$.51	\$ 2.27
Basic earnings per common share:			
Weighted average common shares outstanding (in thousands).....	804,198	796,900	785,641
Basic earnings per common share:			
Income from continuing operations before extraordinary item.....	\$ 1.75	\$.52	\$.43
Discontinued operations:			
Income from operations.....	--	--	.07
Gain on sale.....	--	--	1.87
Extraordinary item.....	--	--	(.03)
Net income.....	\$ 1.75	\$.52	\$ 2.34

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
 (Dollars in millions)

	1999	1998	1997	1996	1995
	-----	-----	-----	-----	-----
Income before income taxes and fixed charges:					
Income before extraordinary item, interest expense on loans, capitalized interest amortized, and provision for income taxes.....	\$2,112	\$ 725	\$ 882	\$ 105	\$1,563
Add interest attributable to rental and lease expense.....	30	41	44	44	41
	-----	-----	-----	-----	-----
	\$2,142	\$ 766	\$ 926	\$ 149	\$1,604
	=====	=====	=====	=====	=====
Fixed charges:					
Total interest on loans (expensed and capitalized).....	\$ 84	\$ 85	\$ 114	\$ 108	\$ 69
Interest attributable to rental and lease expense.....	30	41	44	44	41
	-----	-----	-----	-----	-----
Fixed charges.....	\$ 114	\$ 126	\$ 158	\$ 152	\$ 110
	=====	=====	=====	=====	=====
Ratio of earnings to fixed charges.....	18.8	6.1	5.8	*	14.5
	=====	=====	=====	=====	=====

* Not meaningful. The coverage deficiency was \$3 million in 1996.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
LIST OF SUBSIDIARIES OF THE REGISTRANT

The following are current subsidiaries of the Registrant.

Subsidiary and Name Under Which Business is Done -----	Where Organized -----
Amati Communications Corporation	Delaware
Auto Circuits, Inc.	Massachusetts
Automotive Sensors & Controls Dresden GmbH	Germany
Benchmark Microelectronics Corporation of South Korea	Delaware
Benchmark Microelectronics International, Ltd.	Barbados
Butterfly Communications Inc.	Delaware
European Engineering and Technologies S.p.A.	Italy
GO DSP Corporation	Canada
ICOT International Limited	United Kingdom
Power Trends Foreign Sales Corporation	Barbados
Power Trends, Inc.	Illinois
Silicon Systems (Singapore) Pte Ltd	Singapore
Telogy Networks, Inc.	Delaware
Telogy Networks (UK) Limited	United Kingdom
Texas Instrumentos Eletronicos do Brasil Limitada	Brazil
Texas Instruments A/S, Denmark	Denmark
Texas Instruments Asia Limited	Delaware
Texas Instruments Australia Limited	Australia
Texas Instruments Automotive Sensors and Controls San Jose Inc.	Delaware
Texas Instruments (Bahamas) Limited	Bahamas
Texas Instruments Belgium	Belgium
Texas Instruments Canada Limited	Canada
Texas Instruments (China) Company Limited	China
Texas Instruments China Incorporated	Delaware
Texas Instruments de Mexico, S.A. de C.V.	Mexico
Texas Instruments Deutschland G.m.b.H.	Germany
Texas Instruments Electronic Systems Sdn. Bhd.	Malaysia
Texas Instruments Espana, S.A.	Spain
Texas Instruments Foreign Sales Corporation	Barbados
Texas Instruments France S.A.	France
Texas Instruments Gesellschaft m.b.H.	Austria
Texas Instruments Holland B.V.	Netherlands
Texas Instruments Hong Kong Limited	Hong Kong
Texas Instruments (India) Limited	India
Texas Instruments Insurance (Bermuda) Limited	Bermuda
Texas Instruments International Capital Corporation	Delaware
Texas Instruments International (Overseas) Limited	United Kingdom
Texas Instruments International Trade Corporation	Delaware
Texas Instruments (Ireland) Limited	Ireland
Texas Instruments (Israel) Cable Broadband Communications Ltd.	Israel
Texas Instruments Israel Ltd.	Israel
Texas Instruments Italia S.p.A.	Italy
Texas Instruments Japan Limited	Japan
Texas Instruments Korea Limited	Korea
Texas Instruments Limited	United Kingdom
Texas Instruments Malaysia Sdn. Bhd.	Malaysia
Texas Instruments Oy	Finland
Texas Instruments (Philippines) Incorporated	Delaware
Texas Instruments Richardson LLC	Delaware
Texas Instruments (Shanghai) Co., Ltd.	China
Texas Instruments Singapore (Pte) Limited	Singapore
Texas Instruments Supply Company	Texas
Texas Instruments Taiwan Limited	Taiwan
Texas Instruments Trade & Investment Company S.A.	Panama
Texas Instruments Tsukuba Research and Development Center Limited	Japan
TI Europe Limited	United Kingdom
TI Information Engineering International Incorporated	Delaware
TI Mexico Trade, S.A. de C.V.	Mexico
Unitrode B.V.	Netherlands
Unitrode Corporation	Maryland
Unitrode Electronics Asia Limited	Hong Kong
Unitrode Electronics B.V.	Netherlands
Unitrode Electronics GmbH	Germany
Unitrode Electronics (Singapore) Pte Ltd	Singapore
Unitrode Export, Inc.	Barbados

Unitrode Ireland Ltd.
Unitrode-Maine
Unitrode S.r.l.
Unitrode Trading (Singapore) Pte. Ltd.
Unitrode (UK) Limited

Ireland
Maine
Italy
Singapore
United Kingdom

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report on Form 10-K of Texas Instruments Incorporated of our report dated January 24, 2000, included in the proxy statement for the 2000 annual meeting of stockholders of Texas Instruments Incorporated.

Our audits also included the financial statement schedule of Texas Instruments Incorporated listed in Item 14(a). This schedule is the responsibility of the Registrant's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following registration statements, and in the related prospectuses thereto, of our report dated January 24, 2000 with respect to the consolidated financial statements and schedule of Texas Instruments Incorporated, included in or incorporated by reference in this Annual Report on Form 10-K for the year ended December 31, 1999: Registration Statements (Forms S-8) No. 33-61154, No. 33-21407 (as amended), No. 33-42172 No. 33-54615, No. 333-07127, No. 333-41913, No. 333-41919, No. 333-31319, No. 333-31321, No. 333-31323 and No. 333-48389, and Registration Statements (Form S-3) No. 333-03571 and No. 333-93011, and Registration Statements (Form S-4) No. 333-89433, No. 333-89097, No. 333-87199 and No. 333-80157.

/s/ ERNST & YOUNG LLP

Dallas, Texas
February 29, 2000

This schedule contains summary financial information extracted from THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF DECEMBER 31, 1999, AND FOR THE YEAR THEN ENDED, and is qualified in its entirety by reference to such financial statements.

1,000,000

YEAR	
DEC-31-1999	DEC-31-1999
	662
2,000	
1,843	
67	
845	
6,055	
	7,120
3,285	
15,028	
2,628	
	1,097
0	
	0
	814
	8,441
15,028	
	9,468
9,468	
	4,931
	4,931
1,333	
0	
75	
2,019	
	613
1,406	
	0
	0
	0
	1,406
	1.75
	1.68

This Restated Financial Data Schedule contains summary financial information extracted from THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF DECEMBER 31, 1998, AND FOR THE YEAR THEN ENDED, and is qualified in its entirety by reference to such financial statements.

1,000,000

YEAR	
DEC-31-1998	DEC-31-1998
	632
1,709	
1,373	
72	
618	
4,999	
	6,536
3,085	
11,490	
2,223	
	1,027
0	
	0
	400
	6,336
11,490	
	8,617
8,617	
	5,479
5,479	
1,225	
0	
75	
632	
	216
416	
	0
	0
	0
	416
	.52
	.51

This Restated Financial Data Schedule contains summary financial information extracted from THE CONSOLIDATED FINANCIAL STATEMENTS OF TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES AS OF DECEMBER 31, 1997, AND FOR THE YEAR THEN ENDED, and is qualified in its entirety by reference to such financial statements.

1,000,000

YEAR	
DEC-31-1997	
DEC-31-1997	1,083
	2,022
	1,735
	62
	760
6,249	
	7,566
	3,302
	11,093
2,541	
	1,286
0	
	0
	398
11,093	5,711
	9,972
9,972	
	6,179
	6,179
1,556	
	0
94	
	771
	432
339	
	1,525
	(22)
	0
	1,842
	2.34
	2.27