



## THE FIRST AMERICAN CORPORATION COMPENSATION COMMITTEE CHARTER

### I. PURPOSE

The purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of The First American Corporation (the “Company”) shall include the following:

- A. To discharge the responsibilities of the Board to the shareholders, potential shareholders and investment community with respect to the Company’s compensation programs, compensation of the Company’s executives and evaluation of the CEO’s performance; and
- B. To produce an annual report on executive compensation for inclusion in the Company’s annual proxy statement, in accordance with applicable rules and regulations of the New York Stock Exchange (the “NYSE”), the Securities and Exchange Commission (the “SEC”) and other regulatory bodies.

### II. STRUCTURE AND OPERATIONS

#### Composition and Qualifications

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be “independent” under the rules of the NYSE. Additionally, no director may serve unless he or she (i) is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

#### Appointment and Removal

The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the independent directors.

#### Chairperson

Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Chairperson shall be entitled to cast a vote to resolve any ties. The Chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings.

#### Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of two or more members of the Committee.

### III. MEETINGS

The Committee shall meet at least two times annually, and more frequently if circumstances dictate. The Chairperson of the Board or any member of the Committee may call meetings of the Committee.

As part of its review and establishment of the performance criteria and compensation of the CEO and other senior executives as selected from time to time by the Committee, the Committee shall meet separately at least on an annual basis with the CEO, and any other corporate officers, as it deems appropriate. However, the Committee shall meet regularly without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined. Any meeting of the Committee may be held telephonically.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

### IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee.

#### Compensation Policies and Setting Compensation

Establish and review the overall compensation philosophy of the Company.

Review and approve corporate goals and objectives relevant to the compensation of the CEO, including annual performance objectives.

Evaluate the performance of the CEO in light of these criteria and, based on such evaluation, have sole authority to determine the annual salary, bonus, stock options and other benefits, direct and indirect, of the CEO.

Review and approve the annual salary, bonus, stock options and/or other benefits, direct and indirect, of any or all other senior executives of the Company if and as the Committee, in its sole discretion, deems advisable.

In connection with executive compensation programs:

- (a) Review and recommend to the full Board for approval, or approve, new executive compensation programs;

- (b) Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s);
- (c) Establish and periodically review policies for the administration of executive compensation programs; and
- (d) Take steps to modify any executive compensation program that yields payments and benefits that are not reasonably related to executive and corporate performance.

Establish and periodically review policies in the area of senior management perquisites.

Review and recommend to the full Board compensation of directors.

#### Monitoring Incentive and Equity-Based Compensation Plans

Review and make recommendations to the Board with respect to the Company's incentive-compensation plans and equity-based plans, and oversee the activities of the individuals responsible for administering those plans (if the Committee itself is not responsible for administering the plans).

Review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's shareholders.

Review and make recommendations to the full Board for approval, or approve, awards of shares or share options pursuant to the Company's equity-based plans as such plans may from time to time require.

Monitor compliance by executives with the rules and guidelines of the Company's equity-based plans.

Review and monitor employee pension, profit sharing and benefit plans.

Select, retain on behalf of the Company, terminate and/or replace, as needed, compensation and benefits consultants and other outside consultants to provide independent advice to the Committee, if the Committee deems it necessary or appropriate to retain such consultants. In the event the Company retains a compensation consultant to assist in the evaluation of director, CEO or senior executive compensation, the Committee shall have the sole authority to approve such consultant's fees and other retention terms.

#### Reports

Prepare an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations of the NYSE, SEC and other applicable regulatory bodies.

Report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. Any report to the

Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.

Policy Regarding Prohibition on Loans to Directors and Executive Officers

Require that the Company establish procedures designed to reasonably ensure that the Company does not, in contravention of Section 402 of the Sarbanes-Oxley Act of 2002, directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company.

V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, from time to time, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or advisable.