

STATEMENT OF RESPONSIBILITIES

COMPENSATION COMMITTEE **THE BOARD OF DIRECTORS** **TEXAS INSTRUMENTS INCORPORATED**

Purpose

The primary function of the Committee is to (1) discharge the Board's responsibilities relating to compensation of the Company's executive officers; (2) oversee the Company's compensation practices relating to other key personnel; (3) administer the Company's Executive Officer Performance Plan, 2003 Long-Term Incentive Plan, 2000 Long-Term Incentive Plan, Employees 2002 Stock Purchase Plan, pension, profit sharing, savings, 401(k), deferred compensation, health and other employee benefit plans, together with all predecessor, successor and related plans (all such plans are referred to herein as "Plans"); and (4) review and recommend to the boards of directors of TI subsidiaries the institution and termination of, revisions in, and actions under employee benefit plans of subsidiaries.

In discharging its oversight role, the Committee is authorized to study or investigate any matter of interest or concern that the Committee deems appropriate, and to retain outside counsel or other experts for this purpose.

Membership

The Committee will be composed of not less than three (3) members of the Board, all of whom (i) have been determined by the Board to be "independent" in accordance with the rules of the New York Stock Exchange (NYSE) and TI's Corporate Governance Guidelines; and (ii) are "outside directors" as described in Section 162(m) of the Internal Revenue Code of 1986 and regulations promulgated thereunder. The members and the chair and, if any, the vice chair shall be appointed by a majority of the whole Board.

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

Duties and Responsibilities of the Committee

A. The Committee will:

1. Review and approve Company goals and objectives relevant to compensation of the chief executive officer (CEO).
2. Evaluate the performance of the CEO in light of those goals and objectives.
3. Set the compensation of the CEO in light of that evaluation.

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In connection with these responsibilities, the Committee may consult with directors determined by the Board to be “independent” in accordance with the rules of the NYSE and TI’s Corporate Governance Guidelines.

- B. The Committee has authority to take action without specific prior approval of the Board, and periodically advise the Board on the following:
 - 1. Changes in compensation of executive officers of the Company (within the meaning of Rule 3b-7 of the Securities Exchange Act of 1934 as amended from time to time) other than the CEO.
 - 2. Delegation of the Committee’s power, authority and rights (with authority to redelegate) with respect to the Plans as it deems appropriate to one or more committees of the Board established or delegated authority for such purpose, or (except with respect to compensation of the Company’s executive officers) to one or more employees or committees of employees.
- C. The Committee will prepare the report on executive compensation required by the proxy rules of the Securities and Exchange Commission (SEC) to be included in the Company’s annual proxy statement.
- D. The Committee will review the following and recommend action by the Board:
 - 1. The institution and termination of, revisions in, and actions under the Plans that (i) increase benefits only for officers of the Company or disproportionately increase benefits for officers of the Company more than other employees of the Company, or (ii) require or permit the issuance of stock of the Company.
 - 2. Revisions in and actions under the Plans that are required to be approved by the Board.
 - 3. Reservation of authorized and unissued Company common stock for issuance upon exercise of grants under the Plans, for use in payments of grants or awards under the Plans or as contributions or sales to any Plan trustee.
- E. Annually the Committee will conduct a performance evaluation of the Committee.