

**FIRST FINANCIAL BANKSHARES, INC.
COMPENSATION COMMITTEE CHARTER**

I. PURPOSES

The Compensation Committee is appointed by the Board of Directors for the purposes of (a) making recommendations to the Board with respect to the compensation of the chief executive officer and other members of senior management, (b) overseeing the administration of the equity-based compensation and other employee benefit plans, (c) reviewing the “Compensation Discussion and Analysis” section of the Company’s SEC reports and registration statements and (d) producing annually a report on executive compensation for inclusion in the proxy statement.

II. RESPONSIBILITIES

In addition to such other duties as the Board may from time to time assign, the Committee shall:

- Review and approve the Company’s goals and objectives relevant to the compensation of the CEO, annually evaluate the CEO’s performance in light of those goals and objectives and based on this evaluation make recommendations to the Board of Directors related to the CEO’s compensation level, including salary, bonus, incentive and equity compensation. In making recommendation for the long-term incentive component of the CEO’s compensation, the Committee shall consider, among other factors, the Company’s performance and relative shareholder return, the value of similar incentive awards to CEO’s at comparable companies, and the awards given to the Company’s CEO in the past years;
- Make recommendations to the Company’s Board of Directors and respective bank subsidiary Boards of Directors with respect to non-CEO executive officer compensation, including subsidiary Bank Presidents;
- Review and make recommendations to the Board with respect to incentive compensation and equity-based plans; and
- Prepare annually a report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with the applicable rules of the Securities and Exchange Commission;
- Review the “Compensation Discussion and Analysis” Section of the Company’s SEC reports and registration statements;
- Review and reassess the adequacy of this charter and the overall effectiveness of the Compensation Committee on an annual basis and recommend any proposed changes to the board for approval;
- Oversee the administration of the Company’s stock option plan and other employee benefit plans; and
- Review and make recommendations to the Board of Directors with respect to all employment agreements, severance arrangements, change in control provisions and agreements and any special supplemental benefits applicable to the Company’s executive officers.

The foregoing list of duties is not exhaustive and the Committee may in addition perform such other functions as may be necessary or appropriate.

III. COMPOSITION

The Committee shall be comprised of three or more members (including a Chairperson), all of whom shall be “independent directors,” as such term is defined in the rules and regulations of NASDAQ. In addition, all Committee members shall be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934 and “outside directors” as defined by Section 16.2(m) of the Internal Revenue Code. The members of the Committee and the Chairperson shall be selected not less frequently than annually by the Board and serve at the pleasure of the Board.

IV. MEETINGS AND OPERATIONS

The Committee shall meet as often as necessary, but at least once each year, to enable it to fulfill its responsibilities. The Committee may meet by telephone conference call or by any other means permitted by law. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company and will report its actions to the next meeting of the Board.

The Committee may ask members of management, employees, outside counsel, or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request.

The Chairperson of the Committee shall be responsible for leadership of the Committee, including calling committee meetings, preparing the agenda, presiding over Committee meetings, making Committee assignments and reporting the Committee’s actions to the Board from time to time but at least once each year as requested by the Board.

V. AUTHORITY

The Committee has the authority, subject to ratification by the Board, to the extent it deems appropriate, to (1) retain, terminate and approve fees and other retention terms for one or more compensation consultants to assist in the evaluation of CEO or executive compensation, and (2) to retain other advisors as appropriate.

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Nothing in this charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee.