

**FIRST FINANCIAL BANKSHARES, INC.  
AND SUBSIDIARIES**

**SUPPLEMENTAL POLICY  
CONCERNING TRADING  
IN COMPANY SECURITIES  
BY DESIGNATED PERSONS**

This policy supplements our Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others.

**Persons subject to this supplemental policy**

This supplemental policy applies to:

- each director of the Company
- each officer of the Company who has been designated by our board of directors as an “executive officer” for purposes of the reporting requirements and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and
- any additional persons that the Company may from time to time designate as being subject to this policy because of their position with the Company and access to material nonpublic information.

We refer to persons subject to this supplemental policy as “Designated Persons.”

If you are a Designated Person, then this policy also applies to your family members who reside with you, anyone else who lives with you and any other person or entity whose transactions in Company securities are directed by you. For administrative reasons, you are responsible for making sure that these other persons and entities comply with this policy.

**Additional trading restrictions that apply to Designated Persons**

If you are a person subject to this supplemental policy, you are subject to the following restrictions:

- **You may not trade in Company securities outside of a trading window except for the exercise of Company options under our incentive stock option plan.** For purposes of this policy, a “trading window” will commence after the close of trading two full trading days following the Company’s widespread public release of quarterly operating results and ending at the close of trading on the 15th day of the third month of the fiscal quarter. Although it is generally permissible to exercise an option outside the trading window, the shares of stock you receive

upon exercise may not be sold except in a manner that otherwise complies with our insider trading policy and this supplemental policy.

- **Even during a trading window, you may not trade during a blackout period.** You may not trade in Company securities during any special blackout periods that our Chief Financial Officer may designate without the prior written approval of the Chief Executive Officer (or the Chief Financial Officer if the Chief Executive Officer is unavailable). You may not disclose to any outside third party that a special blackout period has been designated as well. In addition, if you are aware of material nonpublic information, you may not trade in Company securities, even if the Chief Financial Officer or any other person has not designated (or not yet designated) a blackout period.
- **You may not trade in puts or calls or engage in short sales with respect to Company securities.** Trading in “puts” and “calls” (publicly traded options to sell or buy stock) and engaging in short sales are often perceived as involving insider trading and they may focus your attention on the Company’s short-term performance rather than its long-term objectives. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors from engaging in short sales. Therefore, transactions in puts, calls and other derivative securities with respect to Company securities on an exchange or in any other organized market are prohibited by this policy, as are short sales of Company securities.
- **You may not hold Company securities in a margin account.** Because a broker is permitted to sell securities in a margin account if the customer fails to meet a margin call, the securities can be sold at a time when the customer is aware of material nonpublic information about the Company.

### **Exceptions to this Policy**

The trading restrictions in this Supplemental Policy do not apply to those transactions under Company benefit plans that are not subject to the Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others. Those transactions are discussed in that policy under the heading “Exceptions to this policy for certain transactions under Company benefit plans.”

In addition, trading in Company securities is not prohibited by this policy if the trades are conducted pursuant to a pre-arranged trading plan that meets certain conditions. These types of plans are discussed in the policy prohibiting insider trading and unauthorized disclosure of information to others under the heading “Exceptions to this policy for trades pursuant to pre-arranged trading plans.”

In addition, specific exceptions to this policy may be made when the person requesting approval does not possess material nonpublic information, personal circumstances warrant the exception and the exception would not otherwise contravene the law or the purposes of this policy. Any request for an exception should be directed to the Chief Financial Officer. Any request for an exception by a director or executive officer shall also require the pre-approval of our Board of Directors.

### **Other Securities Matters**

Executive officers, directors and holders of 10% or more of the Company's securities will be liable for "short-swing" profits from purchases and sales of the Company's securities under Section 16(b) of the Exchange Act. This section provides that any such person who makes both a purchase and sale or a sale and purchase of the Company's securities within a period of six months must pay to the Company the excess of the sale price over the purchase price even if no real profit was made.

### **Filing Disclosures**

Directors and "executive officers" as defined in federal securities laws ("Section 16 Reporting Persons") are required to file forms with the Securities and Exchange Commission disclosing any trading activity in Company securities. Disclosure of trading by Section 16 Reporting Persons is to be made within two days following any trading activity in Company securities. The Chief Financial Officer will assist these individuals in the timely completion and filing of the required forms.

Dated: April 25, 2017

