

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

**POLICY PROHIBITING INSIDER TRADING  
AND UNAUTHORIZED DISCLOSURE OF  
INFORMATION TO OTHERS**

**Introduction**

Federal and state securities laws prohibit any person who is aware of material nonpublic information about a company from trading in securities of that company. These laws also prohibit a person from disclosing material nonpublic information to other persons who may trade on the basis of that information.

Our board of directors has adopted this policy to promote compliance with these laws and to protect you and our Company from the serious liabilities and penalties that can result from violations of these laws.

It is your responsibility to comply with the securities laws and this policy. If you have questions about this policy, please contact our Chief Financial Officer.

**Persons subject to this policy**

If you are an employee, officer, or director of the Company or any of our subsidiaries, then this policy applies to you.

It 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.

In addition to this policy, our directors, executive officers and certain other designated persons who have access to material nonpublic information about us are subject to a supplemental policy that imposes additional restrictions on their trading in Company securities.

**Core trading and disclosure restrictions**

The following trading and disclosure restrictions apply to all of our employees, officers and directors:

- If you have material nonpublic information regarding us, you must not trade or advise anyone else to trade in our securities until such information has been publicly disclosed or is no longer material.

- If you have material nonpublic information regarding any other company that you obtained from your employment or relationship with us, you must not trade or advise anyone else to trade in the securities of that other company until such information has been publicly disclosed or is no longer material.
- Do not share material nonpublic information with people in our Company whose jobs do not require them to have the information.
- Do not disclose any nonpublic information, material or otherwise, concerning the Company to anyone outside the Company unless required as part of your duties and the person receiving the information has a reason to know the information for Company business purposes.

### **Transactions covered by this policy**

This policy applies to any purchase or sale of Company securities, including our common stock, any other type of securities that we may issue, such as preferred stock, convertible debentures and warrants, as well as exchange-traded options, other derivative securities, and puts, calls and short sales involving Company securities.

Notwithstanding this general rule, certain transactions under Company benefit plans are not prohibited by this policy. These transactions are disclosed in this policy under the heading “Exceptions to this policy for certain transactions under Company benefit plans.”

### **Definition of material nonpublic information**

***Material information.*** Information about our Company or any other company is “material” if there is a substantial likelihood that a reasonable shareholder or investor would consider it important in making a decision to buy, sell or hold securities, or if the disclosure of the information would be expected to significantly alter the total mix of the information in the marketplace about us. In simple terms, material information is any type of information that could reasonably be expected to affect the market price of our securities. Both positive and negative information may be material.

***Nonpublic information.*** Nonpublic information is information that is not generally available to the investing public. If you are aware of material nonpublic information, you may not trade until the information has been widely disclosed to the public (for example, through a press release or an SEC filing) and the market has had sufficient time to absorb the information. For purposes of this policy, information will generally be considered public after the second full trading day following the Company’s public release of the information. For example, if we issued a press release on a Tuesday, the first day that trading could occur would be on Friday.

If you are not sure whether information is material or nonpublic, consult our Chief Financial Officer for guidance before engaging in any transaction in Company securities.

### **Unauthorized disclosure of information**

You are prohibited from discussing with anyone inside or outside the Company any nonpublic information obtained at or through the Company, except when such disclosure is part of your regular duties and is needed to enable the Company to carry out its business properly and effectively.

We are subject to laws that govern the timing of our disclosures of material information to the public and others. Only certain designated employees may discuss the Company with the news media, securities analysts and investors. All inquiries from outsiders regarding material nonpublic information about the Company should be forwarded to our Chief Financial Officer.

### **Consequences of violating insider trading laws or this policy**

The consequences of violating the securities laws or this policy can be severe. They include civil and criminal penalties as well as Company disciplinary action, up to and including termination.

***Reporting of Violations.*** Any employee, officer or director who violates this policy or any federal or state laws governing insider trading or tipping, or knows of any such violation by any other employee, officer or director, must report the violation immediately to our Chief Financial Officer or by calling our anonymous hotline, 1.866.396.0557, to report such violations.

### **Exceptions to this policy for certain transactions under Company benefit plans**

Certain transactions in Company securities under Company benefit plans are not prohibited by this policy. These are:

***Stock Option Exercises.*** This policy does not apply to your exercise of an employee stock option. It also does not apply to your election to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This policy does apply, however, to sales of shares received upon exercise of an option.

***401(k) Plan and Deferred Directors' Fee Plan.*** This policy does not apply to purchase of Company stock in our 401(k) plan and deferred directors' fee plan resulting from your periodic contribution of money to the plan through a payroll deduction election or through our directors' deferral of directors' fees to purchase Company stock through that plan.

### **Exception to this policy for trades pursuant to pre-arranged trading plans**

The trading restrictions in this policy do not apply to trading in Company securities if the trades occur pursuant to a pre-arranged trading plan that has been pre-cleared by our Chief Financial Officer. An SEC rule, Rule 10b5-1(c), provides a defense from insider trading liability for trades that occur pursuant to a pre-arranged “trading plan” that meets certain specified conditions. You must pre-clear any such trading plan with our Chief Financial Officer and you must enter into the trading plan at a time when you were not aware of any material nonpublic information. As a condition to the approval of any such plan, the Chief Financial Officer may require the inclusion in the plan of any provisions deemed necessary or advisable to comply with the law and Company policy. Any changes to a trading plan that has been approved the Chief Financial Officer must also be approved by the Chief Financial Officer before any further transactions can be effected pursuant to the plan.

Dated: April 25, 2017