



TEXAS INDUSTRIES, INC

Charter of the Compensation Committee

PURPOSE

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Texas Industries, Inc. (the "Company") shall assist the Board in carrying out the responsibilities of the Board relating to the compensation of the Company's executive officers and directors by discharging the responsibilities set forth below and shall produce an annual report on executive compensation for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Committee will be composed of three or more directors as determined by the Board. All members of the Committee must: (i) satisfy the independence requirements of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgement, (ii) meet the definition of "non-employee director" under Rule 16b-3 of the Securities and Exchange Act of 1934, (the "Exchange Act"), and (iii) be an "outside director" for the purpose of Section 162(m) of the Internal Revenue Code of 1986. Unless elected by a majority of the full Board, the Committee may designate its own Chairman.

The Committee shall meet as often as may be deemed necessary or appropriate and at such times and places as it shall determine. The Committee will keep minutes of its meetings, and will regularly report to the Board of its activities, making recommendations as appropriate.

The Committee may delegate any of its responsibilities and duties to one or more members of the Compensation Committee, except to the extent such delegation would be inconsistent with the requirements of the Exchange Act, or the listing rules of the New York Stock Exchange.

RESPONSIBILITIES

To assist it in the conduct of its responsibilities, the Committee, to the extent it deems necessary or appropriate, may consult with management, may seek advice and assistance from the Company's employees or others, and may retain legal counsel, accountants and compensation consultants. The Committee has the sole authority to retain or terminate any compensation consultant to be used to assist in the evaluation of director, Chief Executive Officer or other executive officer compensation and has the sole authority to approve such consultant's fees and other terms of retention.

The Committee shall:

Review corporate goals and objectives relevant to the Chief Executive Officer's compensation and evaluate the Chief Executive Officer's compensation in light of the those goals and objectives. Based on that evaluation, the Committee shall determine and approve the compensation of the Chief Executive Officer, with the exception of the Chief Executive Officer's base compensation, which shall be approved by the independent directors on the full Board following the recommendation of the Committee.

Review the performance of the Company's management and approve the salaries and other compensation of executive officers and review the compensation of staff and operations officers, in so doing, consider the general performance of the Company and its subsidiaries as well as the compensation practices in markets where the company competes for executive talent.

Recommend to the Board incentive goals to be achieved under incentive compensation plans and review the results and approve the payments required upon attainment of the goals.

Review and recommend to the Board the Company's variable contributions to the Company's retirement plans.

Make recommendations to the Board with respect to incentive compensation plans and equity-based plans of the Company and review, approve, and administer the incentive compensation plans in which any executive officer of the Company participates and all equity-based plans of the Company to ensure the attraction, retention, and appropriate reward of executive

officers, to motivate their performance in the achievement of the Company's business objectives, and to align the interest of executive officers with the long-term interest of the Company's shareholders.

Periodically review the compensation of directors who are not then serving as full-time employees of the Company or any of its subsidiaries and recommend for approval by the Board any change in the compensation of such directors. In recommending director compensation, the Committee shall take comparable director fees into account and review any arrangement that could be viewed as indirect director compensation.

ANNUAL PERFORMANCE EVALUATION

The Committee shall annually evaluate its own performance.