

FIRST AMERICAN FINANCIAL CORPORATION  
COMPENSATION COMMITTEE CHARTER

I. PURPOSE

The purposes of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of First American Financial Corporation (the “Company”) shall include assisting the Board in discharging its responsibilities with respect to the Company’s compensation policies and programs, compensation of the Company’s executive officers (which for purposes of this policy shall have the meaning given to the term “officer” in Rule 16a-1(f) under the Securities Exchange Act of 1934), and evaluation of the Chief Executive Officer’s (“CEO”) performance.

II. STRUCTURE AND OPERATIONS

A. Composition and Qualifications

The Committee shall be comprised of two or more members of the Board, each of whom is determined by the Board to be “independent,” as “independence” is defined for directors and compensation committee members, under the rules of the New York Stock Exchange (“NYSE”). Additionally, no director may serve unless he or she is a “Non-employee Director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. Furthermore, the Committee or, alternatively, a subcommittee of the Committee shall solely be comprised of directors who satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

B. Appointment and Removal

The members of the Committee shall be appointed on recommendation of the Nominating and Corporate Governance Committee by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the independent directors.

C. Chairperson

Unless a Chairperson is elected by the full Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Chairperson shall be entitled to cast a vote to resolve any ties. The Chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings.

D. Delegation to Subcommittees

In fulfilling its responsibilities, the Committee shall be entitled to delegate responsibilities to a subcommittee of two or more members of the Committee.

### III. MEETINGS

The Committee shall meet at least four times annually at such times and places as the Committee determines, and more frequently if circumstances dictate. The Chairperson or any member of the Committee may call meetings of the Committee. The majority of the Committee constitutes a quorum.

As part of its review and establishment of the performance criteria and compensation of the CEO and other senior executives as selected from time to time by the Committee, the Committee shall meet separately at least on an annual basis with the CEO, and any other corporate officers, as it deems appropriate. However, the Committee in its discretion shall meet without such officers present, and in all cases such officers shall not be present at meetings at which their performance and compensation are being discussed and determined.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, member of management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.

The Committee shall report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. Any report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.

### IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its purposes outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee.

#### A. Compensation Policies and Setting Compensation

1. Establish and review the compensation philosophy of the Company, including a review of any compensation policies and practices that relate to risk management practices and risk-taking incentives that could be reasonably likely to have a material adverse effect on the Company.
2. Review and approve corporate goals and objectives relevant to the compensation of the CEO, including annual performance objectives.
3. Annually evaluate the performance of the CEO in light of these goals and objectives and, based on such evaluation, have sole authority to determine the annual salary, bonus, stock options and other compensation of the CEO.

4. Oversee the evaluation of and review and approve in its sole discretion the annual salary, bonus, stock options and other compensation of other executive officers of the Company.
5. Review and discuss with management the Company's Compensation Discussion and Analysis and related disclosures that the Securities and Exchange Commission ("SEC") requires be included in the Company's annual report and proxy statement, recommend to the Board based on the review and discussions whether the Compensation Discussion and Analysis should be included in the annual report and proxy statement, and prepare the Committee report required by SEC rules for inclusion in the Company's annual report and proxy statement.
6. In connection with executive compensation programs:
  - a. Review and recommend to the full Board for approval, or approve as appropriate, new executive compensation programs;
  - b. Review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s); and
  - c. Establish and periodically review policies for the administration of executive compensation programs.
7. Establish and periodically review policies in the area of senior management perquisites.
8. Review the form and amount of compensation paid to directors for service on the Board and its committees and recommend changes in compensation to the Board.
9. Assess the results of the Company's most recent advisory vote on executive compensation.
10. At least annually, assess whether the work of compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company's annual report and proxy statement.

**B. Monitoring Incentive and Equity-Based Compensation Plans**

1. Review and make recommendations to the Board with respect to the Company's incentive-compensation plans and equity-based plans, and oversee the activities of the individuals responsible for administering those plans (if the Committee itself is not responsible for administering the plans).
2. Review and approve all equity compensation plans of the Company that are not otherwise subject to the approval of the Company's shareholders.

3. Review and make recommendations to the full Board for approval, or approve as appropriate, awards of shares or share options pursuant to the Company's equity-based plans as such plans may from time to time require.
4. Monitor compliance with the rules and guidelines of the Company's equity-based plans.
5. Review and monitor employee pension, profit sharing and benefit plans.

#### V. POLICY REGARDING OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of compensation consultants, outside legal counsel and other advisors as it deems necessary or appropriate to assist it in the full performance of its functions, including the authority to retain and terminate any compensation consultant used to assist the Committee in the evaluation of director, CEO or executive officer compensation. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultants, outside legal counsel and other advisors retained by the Committee. Prior to selecting or obtaining advice from any such advisors, the Committee shall assess and consider the independence of such advisors (whether retained by the Committee or management) that provide advice to the Committee, in accordance with the rules of the NYSE. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for payment of compensation to any advisors retained by the Committee.

#### VI. ANNUAL PERFORMANCE EVALUATION AND CHARTER REVIEW

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or advisable.