This Audit Committee Charter was provisionally adopted by the Board of Trustees (the “Board”) of The Samuel Roberts Noble Foundation, Inc. (the “Foundation”), in October 2004 and formally adopted in January 2006. While it should be interpreted in the context of all applicable laws and regulations, as well as in the context of the Foundation’s Articles of Incorporation and bylaws, it is not intended to establish by its own force any legally binding obligations.

The Audit Committee (the “Committee”) has the oversight responsibility, authority and specific duties as described below.

**Composition**
The Committee will be comprised of at least three members of the Board. Each of the three family branches shall be entitled to an appointee on the Committee. The Board will endeavor to appoint those members to the Committee capable of providing independent, objective oversight. At least one member of the Committee should have certain heightened financial understanding or expertise.

The members and chair of the Committee shall be elected by the Board at the annual meeting of the Board and shall serve until the next annual meeting of the Board. Notwithstanding, each member shall serve until his or her successor is duly elected and qualifies.

**Purpose**
The primary purpose of the Committee is to assist the Board in fulfilling its responsibility to oversee the integrity of the Foundation's financial statements; the Foundation's compliance with legal, regulatory and internal requirements; the independent auditor's qualifications and independence; and the performance of the Foundation's internal audit function and independent auditors.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Foundation's financial statements are complete, accurate and/or in accordance with generally accepted accounting principles; this is the responsibility of management and the independent auditor.

**Authority and Access**
The Committee is granted the authority to investigate any matter or activity involving financial accounting and financial reporting, as well as the internal financial controls of the Foundation. Moreover, the Committee is granted the authority to investigate employee claims of alleged Foundation violations of applicable laws and regulations as well as alleged breaches of policy.

The Committee will have full access to all books, records, facilities and employees of the Foundation to carry out its Charter responsibilities, which shall include rendering advice and counsel in all matters within the scope of this Charter.

**Management Support**
The Chief Financial Officer will support and assist the Committee respecting financial accounting, financial reporting, internal financial controls, audit matters and on any other matters that the Committee may request.

The General Counsel will support and assist the Committee respecting employee allegations of institutional noncompliance, related investigations, reporting and on any other matters that the Committee may request.
**Independent Advice**

From time to time, as deemed necessary by the Committee in its sole discretion, the Committee may retain (including making fee arrangements and setting other retention terms), at the Foundation's expense, such independent advisors as it deems necessary to perform its duties and responsibilities under this Charter.

**Meetings**

The Committee will meet at least four (4) times annually and as many additional times as the Committee deems necessary. Meetings of the Committee may be held telephonically. The presence of a majority of the Committee members will constitute a quorum for the transaction of business, and the affirmative vote of a majority of the Committee members present and constituting that quorum will be required for Committee action on any voting matter.

The Committee will meet in separate executive sessions at least annually with management, including the Chief Financial Officer and the independent accountants, to discuss any matters that the Committee or other attendee believes should be discussed.

The Committee, in its discretion, may ask members of management or others to attend its meetings and provide pertinent information.

The Committee Chair will work with the President, Chief Financial Officer, other appropriate Foundation management and the other Committee members in the development of each meeting agenda. The Committee Chair shall approve the contents of the final agenda for each meeting.

The Committee shall maintain minutes of such meetings, and copies of all minutes shall be distributed to the Board.

**Attendance**

Committee members will strive to be present at all meetings. As necessary or desirable, any member of the Committee may request that members of management and representatives of the independent auditors or other consultants be present at Committee meetings.

**Basic Principles**

The basic principles of the Committee are:

- To regularly assess whether a proper ethical tone from management – the “tone at the top” permeates the organization and embodies insistence on integrity and accuracy in financial reporting and all other operations.
- To reinforce that the accountability of the external auditor is to the Committee.
- To assess whether proper policies and procedures are in place to address potential conflicts of interests.
- To implement processes and discussions to support the Committee’s understanding and monitoring of the:
  - Specific role of the Committee to provide oversight of the financial reporting process, including addressing the “transparency” (i.e., the clarity, reliability, timeliness and manner of preparation to enable the Board to easily understand and analyze) of the Foundation’s financial reports.
  - Critical financial reporting risks and the effectiveness of internal controls
  - Assessing the independence, accountability and effectiveness of an external auditor.
Specific Duties
In carrying out its responsibilities, the Committee will:

- Determine the rules of procedure and operation of the Committee.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- Review with the Chief Financial Officer and independent auditors the Foundation's general accounting and financial reporting controls, and obtain annually a written affirmation, through the prepared audit reports, from the independent auditors as to the adequacy of such controls.
- In consultation with the Chief Financial Officer, assume responsibility for the appointment, compensation and oversight of the work of any independent auditors employed by the Foundation (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report to the Committee. The Chief Financial Officer shall serve as an administrative contact for the independent auditor.
- Review and, in its sole discretion, approve in advance the independent auditor's annual engagement letter, including the proposed fees contained therein, and all permitted non-audit arrangements and relationships between the Foundation and such independent auditor.
- At least annually, obtain and review a report by the independent auditor describing (a) the auditing firm's internal quality control procedures, (b) any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues and (c) all relationships between the firm and the Foundation in order to assess auditor independence.
- Review and discuss with management and the independent auditors the following:
  - The annual audited financial statements.
  - Results of the audit of the financial statements, internal controls and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application. These reports shall be presented to the full Board for approval based on the recommendation from the Committee.
  - Significant changes to the audit plan, if any, and any serious disputes, audit problems or difficulties with management encountered during the audit and management's response thereto. These reports shall be presented to the full Board for approval based on the recommendation from the Committee.
- Review the Foundation's annual 990-PF return and discuss with management any questions or concerns regarding its content prior to its filing with the Internal Revenue Service.
- Establish procedures for the receipt, retention and treatment of confidential, anonymous complaints regarding accounting, internal accounting controls or auditing matters as well as allegations regarding the Foundation's violation of applicable laws and regulations or internal policies. As part of these procedures, the Committee will review on an annual basis a summary prepared by the Vice President, General Counsel of all reports made pursuant to the Foundation reporting (whistleblower) policy that were considered minor or inconsequential in nature and the subsequent action taken by management.
- Discuss with management regularly to gain an understanding that major risks are being managed, whether operational, legal, financial or otherwise, and the steps management has taken to monitor and manage such risks. The areas of risk shall generally include:
  - Conflicts of interest.
  - Compliance with applicable laws, regulations and rules, including those expressly
associated with the receipt of government funding.
– Financial reporting.
– In collaboration with the Investment Committee of the Board, investment strategies:
  ▪ The nature of permitted investments in alternative investments, including derivatives, partnerships, trusts, private equities, joint ventures and other instruments that are not publicly traded, including how they are reported when values may be difficult to ascertain.
  ▪ Exit strategies for such alternative investments.
  ▪ Oversee audit compliance with the Foundation’s institutional investment policy.
• Set policies respecting Foundation hiring of employees or former employees of the independent auditors or former independent auditors.
• Perform such other duties as may be assigned it by the Board.
• Determine, and have access to, appropriate funding necessary to carry out the duties and responsibilities set out herein.
• Conduct an annual evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter.
• Report regularly to the Board on Committee findings and recommendations.