Introduction

The Samuel Roberts Noble Foundation (the “Foundation”) seeks to direct its activities and award its grants without either actual or apparent conflict of personal interests of its policymakers, those entrusted with review, recommendation, or decision making on applications for grants, or others. All Foundation Trustees and Advisory Trustees (individually and collectively, “Trustees”) are expected to abide by this policy, and to adhere to the spirit of this policy in all of their dealings with fellow Trustees, Foundation employees, vendors and contractors, grant applicants and beneficiaries, and the public.

In the course of the Foundation’s philanthropic undertakings and in the conduct of its affairs, the paramount consideration and the predicate for all decisions shall be the best interest of the Foundation. Adherence to this standard is furthered when all matters are approached with an open mind, constrained always by the best interest of the Foundation, and all judgments are based on information that is complete and accurate for the purpose at hand.

Trustees will conduct themselves at all times with decorum, honesty, integrity, and in accordance with the highest ethical standards. A relationship with the Foundation shall not be used in any way that will inure to the personal benefit of a Trustee or any other person. In all aspects of their conduct, Trustees will conduct themselves in a manner that will reflect credit on the Foundation and themselves.

Duties

Trustees acknowledge that the Foundation has an obligation to ensure that its transactions are legal, credible and fair and that procedures and safeguards are in place to ensure that the Foundation can proactively monitor its potential transactions and abide by all applicable rules, regulations and laws.

Trustees further acknowledge their duty to disclose (a) affiliations between themselves, or members of their families, and organizations applying for grants from the Foundation and (b) material financial interests, both their own and those of family members, to enable the Foundation to actively assess pending transactions and avoid acts of self-dealing between the Foundation and disqualified person(s) or other prohibited transactions.

This policy should be viewed as presenting guiding principles, which should inform but not prescribe good judgment. To this end,

• The Trustees believe the interest of the Foundation in productive philanthropic giving is well served by Trustees and members of their families, serving as uncompensated board members (or in other policy making or managerial capacities) of other charitable organizations which may receive grants from the Foundation. Such Trustees provide improved understanding of the recipient organization, can monitor the expenditure of granted funds and can report more insightfully on the fruitfulness of their use. The Board thus distinguishes between uncompensated affiliations and compensated affiliations. The Board presumes that an uncompensated affiliation does not create a conflict of interest and a compensated affiliation creates a relationship that should be considered with a higher degree of care and scrutiny.

• The Trustees acknowledge that Internal Revenue Code (IRC) 4941 sets forth a number of prohibited acts, which are regarded as “acts of self-dealing” and IRC 4943 sets forth the boundaries for excess business holdings, which the Foundation will actively identify and avoid.
As used in this policy, the following terms are defined as:

- **“Affiliations”** means positions as trustee, officer, director, consultant, employee, contractor or service provider.
- **“Conflict of interest”** means a conflict, actual or perceived, between the private interests of a Trustee and the Trustee’s duties and responsibilities to the Foundation.
- **“Family members”** means spouses; siblings; lineal descendants (including children, grandchildren and great-grandchildren); spouses of such lineal descendants; and ancestors (including parents and grandparents) of non-spouses.
- **“Household family member”** means a specific subgroup of family members that, at the time of the determination, live in the same household as the interested Trustee.
- **“Material financial interest”** means at least 5% of the voting power, either individually or cumulatively for the family, in an entity, or compensation arrangement with the entity.

**Disclosure**

Each Trustee will annually complete, on behalf of the Trustee and his or her family, a disclosure form (Appendix A), which is related solely to matters of material financial interests to enable avoidance of self-dealing transactions and excess business holdings. Further, each Trustee shall be under a continuing obligation to promptly notify the Secretary of the Foundation, in writing, and disclose any change in prior disclosures. Such changes may concern matters of personal/familial-related material financial interests, or pending or existing financial transactions involving the Foundation.

In a meeting for which a grant-related transaction is being considered by the Trustees (or any committee of the Board), the Director of Granting will request disclosure of any relevant, non-disclosed affiliations for grant requests that come before the Board.

Disclosure of such relationships, no matter how remote, helps alleviate misunderstandings that might arise later.

If a Trustee has holdings in excess of 5% of any business enterprise, it may be necessary to seek more information to ensure that the Foundation is in compliance with excess business holding rules.

All disclosed information will be kept confidential and will be used only for the purposes described in this policy.

**Board Procedures**

**Board Discussion/Voting (grant-related)**

- In the case of an uncompensated affiliation, a Trustee may participate in initial discussions, any final discussions and the Board vote (Trustee only) on the related grant request; however, the interested Trustee(s) and any household family member(s) shall leave the room prior to such final discussion to allow discussions by the unaffiliated Trustees.

- In the case of a compensated affiliation, a Trustee may participate in initial discussions, but can neither take part in any final discussions nor vote on the grant request. Additionally, in the event a grant is approved, the terms of the grant must stipulate that no grant funds may be used, directly or indirectly, to compensate or financially benefit the affiliated Trustee(s) or family member(s).

- Board votes for all grant requests shall be by written, secret ballot (or like mechanism) and tabulated under the direction of the Secretary of the Foundation.

Board Discussion/Voting (financial transaction) – Depending upon the materiality of the financial interest (e.g., 20% or 35%), the Foundation may not enter the transaction regardless of safeguards taken.
• Direct payment to a Trustee, family member or entity in which they have a material financial interest may be made only if permissible under IRC 4941 (see Appendix B).
• For any vote of the Board of Trustees regarding any such matter, the interested Trustee(s) may participate in initial discussions, but can neither take part in any final discussions nor vote on the matter.

Reasonable belief in the occurrence of a violation of the duty to disclose must be reported promptly to the Chair of the Executive Committee, the President or the Board as a whole. The Trustee involved will be given an opportunity to explain the alleged non-disclosure. The Board will review and investigate the alleged non-disclosure and take such action (including, possibly, no action) that it deems necessary.

**Records**

Minutes of Board of Trustees meetings will describe actions taken in accord with the procedures outlined above, including the names of Trustees who excused themselves from final discussions and abstained from voting.

**Review**

This policy will be reviewed periodically as the Board of Trustees deems necessary.

**Conclusion**

Trustees believe that the best way to prevent unacknowledged conflicts of interest is to select Trustees of good character who endorse and adhere to our principles, among which is, “Our conduct will be fair and honest” – as Lloyd Noble would have expected and demanded.
Appendix A:
Material Disclosure Form

Name: _______________________________________________________________

A. Material financial interest(s) – Trustee

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B. Material financial interest(s) – Family Members of Trustee

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Comments/explanations:

Definitions:
- “Material financial interest” means at least 5% of the voting power in an entity or a compensation arrangement with an entity.
- “Family members” means my spouse; my siblings; my lineal descendants (including children, grandchildren and great grandchildren); spouses of my lineal descendants; and my ancestors (including parents and grandparents).

The above disclosures of material financial interests, if any, are made to the best of my knowledge, pursuant to the Foundation’s Board of Trustees Conflict of Interest policy. Moreover, I acknowledge my responsibility to voluntarily update this form if the relevant information changes during the year.

Signature: _______________________________ Date: __________________________

Please return to: Liz Aldridge, Corporate Secretary at eaaldrige@noble.org.
Appendix B:
Requirements under the Self-dealing Regulations of the Internal Revenue Code

The Internal Revenue Code and Treasury Regulations prohibit all private foundations from engaging in acts of “self-dealing” with disqualified persons.

For private foundations, “disqualified persons” include trustees; corporate officers; family members of trustees or corporate officers; the descendants (through great-grandchildren) and their spouses of the private foundation's founder(s); and any corporation, partnership, trust or estate in which any trustee or corporate officer has more than 35% of the voting power (in a corporation), profits interest (in a partnership) or beneficial interest (in a trust or estate).

Disqualified persons are prohibited from entering into the following types of transactions with the related private foundation under the self-dealing regulations:

- Sale, exchange or leasing of property between the private foundation and a disqualified person.
- Lending of money or other extension of credit between the private foundation and a disqualified person, other than the lending of money by a disqualified person to the private foundation without interest or other charge (so long as the loan proceeds are used exclusively for charitable purposes).
- Furnishing of goods, services or facilities between the private foundation and a disqualified person, other than the furnishing of goods, services or facilities by a disqualified person to the private foundation without charge (so long as the goods, services or facilities are used for charitable purposes).
- Payment of compensation (or reimbursement of expenses) by the private foundation to a disqualified person, excepting that compensation (or reimbursement of expenses) for “personal services,” which is not excessive, that is reasonable and necessary to carrying out the exempt purposes of the private foundation.
- Transfer to, or use by or for the benefit of a disqualified person of the income or assets of the private foundation.
- Agreement to pay a government official.

For self-dealing determinations, it is irrelevant whether a particular act or transaction would result in a benefit or a detriment to the private foundation.