

## FREQUENTLY ASKED QUESTIONS

### **What operational changes are occurring at The Samuel Roberts Noble Foundation, Inc.?**

- The Noble Board of Trustees has elected to separate the activities of The Samuel Roberts Noble Foundation.
- The organization's research, education and consultation activities will remain with our existing entity but will continue forward with a new name: Noble Research Institute LLC. The new name connects this organization to our history and founder, Lloyd Noble, as well as demonstrates our reliance on research to meet agriculture's greatest challenges.
- The philanthropic activities, including grant making and scholarship programs, of the current organization are being placed in a new, private foundation, which will carry the same name, The Samuel Roberts Noble Foundation.

### **Why separate these activities into two organizations?**

- The current organization is regarded by the Internal Revenue Service as a 501(c)(3) private foundation. While a private foundation is well-suited for grant making and scholarship programs, it is an ill-fit for the direct conduct of research, commercialization activities, fundraising/development, and partnerships with industry. Historically, we have simply modified our operations to accommodate and abide by stricter private foundation rules. By creating the Noble Research Institute, we can place our research and education activities in a 501(c)(3) public charity form (similar to our peer institutes and universities) and create new opportunities for our science to serve agriculture.
- Each organization has unique functions – traditional philanthropic giving and extensive agricultural operations, research, demonstration and consultation. As a single entity, the organization served many audiences with diverse interests. By separating the activities into two organizations, each organization can now build its respective name around its specific operations and build new relationships that were otherwise unavailable.

### **Why change now? After 71-years, why modify the organization?**

- There was little opportunity to put the research and education activities into a 501(c)(3) public charity form that accommodated all our research and education activities. However, in 2015, Congress modified the Internal Revenue Code to create agricultural research organizations (AROs), a new form of 501(c)(3) public charity focused on the conduct of agricultural research.
- The Board of Trustees considered the benefits and appropriateness of transitioning our current agricultural research and educational activities into an ARO since the signing of the ARO legislation into law.
- With the requirements of AROs being tailor-made to the operations of the Noble Research Institute, the trustees unanimously decided that separation of activities would best benefit the organization, its potential to achieve its mission and vision, and carry forward the intent of its founder.

### **When will be the effective date of this organizational split?**

- May 1, 2017.

### **What will happen to our current grant making and scholarship programs?**

- Our current grant making and scholarship programs – the Noble Educational Fund Scholarship Program and the Sam Noble Scholarship Program – will transition to The Samuel Roberts Noble Foundation, the new private foundation.



- Noble Research Institute will not provide philanthropic grants or scholarships. In certain instances, the Noble Research Institute may provide limited support to sponsor meetings, provide support for graduate students, and other similar activities, provided however, such support directly furthers the organization's charitable purpose, e.g., direct research activities.

#### **Will the Noble Research Institute be an “agricultural research organization” on May 1?**

- No. The organizational transition and separating the activities of the current organization is the first step. We will submit documentation to the IRS in May seeking recognition of the Noble Research Institute as a 501(c)(3) agricultural research organization and announcing our intention to terminate our status as a private foundation. The IRS' consideration of this request could require several months.
- Once recognized by the IRS, we will undertake a 60-month transition process to convert from a private foundation to an agricultural research organization. This is a standard termination process for any private foundation transitioning to a public charity. During this 60-month period, we can operate as a public charity provided we meet the requirements the IRS defines for an agricultural research organization in any given year of the transition term.
- We anticipate that the 60-month transition period will begin Jan. 1, 2018.

#### **What are the requirements the IRS defines for agricultural research organizations?**

- While there are various operational and reporting requirements common to all 501(c)(3) organizations, the IRS further requires that each agricultural research organization:
  - directly engages in the continuous active conduct of agricultural research;
  - in conjunction with a land-grant college or university (as defined in such section) or a non-land grant college of agriculture; and
  - expends funds equaling 3.5 percent or more of the fair market value of its endowment for the continuous active conduct of such agricultural research.
- The operations, collaborations and expenditures of the Noble Research Institute are well-positioned to satisfy these requirements today and into the future.

#### **Why not keep one entity and simply convert it to an agricultural research organization?**

- Agricultural research organizations (AROs) must engage in the active and continuous conduct of agricultural research. Provision of grants and scholarships does not satisfy this requirement.
- The trustees are committed to philanthropy and bettering our communities through the giving of scholarships to qualified students and the making of grants and other charitable distributions to organizations that qualify as 501(c)(3) organizations. Historically, our giving has furthered organizations and their programs to cultivate healthier and better-educated communities; this giving will continue through the new private foundation, The Samuel Roberts Noble Foundation.

#### **Why not keep “The Samuel Roberts Noble Foundation” name for the organization conducting research and agricultural operations?**

- Considerable thought was put into this very question.
- In the end, it was determined that the name “The Samuel Roberts Noble Foundation” was best associated with the historical and continuing philanthropic activities. Samuel Roberts Noble was the father of our founder, Lloyd Noble. Lloyd Noble founded our current organization as a charitable trust in 1945 and named the organization for his father. He was quoted as saying that the organization's name recognized “the most charitable individual I ever met.” Maintaining this connection to our past and continuing Mr. Noble's recognition of his father is important to this organization and its purpose.



- For the Noble Research Institute, our new name conveys both our history and connection to our founder, Lloyd Noble, and our reliance on research and science to serve agriculture by meeting its greatest challenges.

**Will the primary activities of the Noble Research Institute change as a consequence of this change?**

- No. The Noble Research Institute will have four strategic cornerstones. These primary activities are consistent with what the organization does today. They include:
  - Research (fundamental, translational and applied)
  - Producer relations (agricultural consultation)
  - Education (youth, undergraduate and graduate students, adults, producers)
  - Applied agricultural systems and stewardship

**Will employees of the current organization be split between the Noble Research Institute and The Samuel Roberts Noble Foundation?**

- No. All employees of the current organization will be employees of the Noble Research Institute following the organization's name change on May 1, 2017. All employee salaries and benefits will be provided by the Noble Research Institute.
- The Noble Research Institute will provide functional services to the new private foundation, The Samuel Roberts Noble Foundation, including philanthropic services, computing services, communications and accounting, through a services agreement that provides for cost reimbursement.

**As an employee, will I lose my years-of-service and/or my retirement benefits because of this transition? Or, will I be terminated by The Samuel Roberts Noble Foundation Inc. and re-hired by Noble Research Institute?**

- No. The Samuel Roberts Noble Foundation Inc. will be converted to the Noble Research Institute through a state law conversion. When effected, the organization simply transitions from one corporate form to the other. The transition does not negatively impact or affect the organization's employees or their benefits, ownership of its assets (e.g., land, buildings, vehicles, equipment) or its contracts.
- This was the primary reason for converting the current organization (rather than establishing a new organization for the Noble Research Institute). This will lessen the impact of such transition on employees and the day-to-day operations of the organization.

**Will the transition result in a termination of positions or, alternatively, an immediate expansion of positions?**

- No. There are no positions being eliminated or terminated as a consequence of this organizational transition. In an effort to better position the organization to meet its mission and vision for the future, the Leadership Team made a few operational changes. As a result, a handful of employees may have a new supervisor after the transition.
- At this time, it would be premature to define a specific plan for growth. We will work to get this transition in place, develop operating plans and/or collaborations internally, identify needed external collaborations, build relationships and put the institute in a position to deliver solutions to agriculture's great challenges.

**How will the Noble Research Institute fund its research and educational activities, salaries, benefits, facilities, etc.?**

- The current organization significantly relies on its current endowment (~80.5% of its annual expenditures). Much of the current endowment will be transferred to the new Noble Foundation, and the new Noble Foundation will make an annual grant commitment to the Noble Research Institute that will provide significant funding to the Noble Research Institute.



- The current organization additionally funds its research from extramural research funding from federal and state agencies, industry-sponsored research support, royalties from technology commercialization and sales from its agricultural products (e.g., cattle, pecans). These sources will continue in the Noble Research Institute, and we will likely see some of the sources increase over time as faculty, researchers and the organization pursue new development opportunities offered by the 501(c)(3) public charity form of the Noble Research Institute.
- The Noble Research Institute further will use its endowment (i.e., funds not transferred to the new Noble Foundation) to fund its operations.
- The Noble Research Institute will begin to develop a fundraising/development office that will take several years to grow. Initially, it will begin to establish and cultivate relationships with individuals, foundations, and corporations to build a pipeline of contributions to support the institute's programs and operations. It is notable that fundraising/development is a long-term endeavor built on relationships, trust and proven results.

#### **What new technology transfer opportunities will be available to the Noble Research Institute?**

- Traditionally, the current organization has commercialized its discoveries and innovations through licensing – using a contract to convey limited rights to use, produce and sell – to commercial partners to bring our discoveries and innovations to market. This option would continue to exist as a future public charity.
- Additionally, as a public charity (similar to universities and peer institutions), the Noble Research Institute would have additional commercialization vehicles to use: spinning out and supporting new entities seeking to develop and commercialize our discoveries and innovations, pursuing equal joint ventures with commercial partners, fostering and incubating our (and others') discoveries and innovations, and exploring other arrangements to move agricultural innovation to the marketplace to benefit producers and consumers.

#### **How will this transition affect current contracts, assets and relationships of the Noble Foundation?**

- The transition does not negatively impact or affect the organization's ownership of its assets (e.g., land, buildings, vehicles, equipment) or its contracts. Because of the nature of organizational transition, for the most part, we will simply provide appropriate documentation to show that the organization's name has changed.
- We have identified a significant number of relationships with state and federal agencies that will require we file appropriate documentation to show proof that the organization's name has changed. We will file these documents in the first week of May to best ensure minimal disruption in day-to-day operations.
- We recognize that there will be some initial name confusion. Letters specifying our name change will be sent to many of our collaborators and institutional relationships. Letter/communication templates will be available to you to notify peers and colleagues of this change of name.

#### **Will the Noble Research Institute continue its employee involvement in the community?**

- Yes. The Noble Research Institute will maintain the employee-led, community-enrichment program "Noble in the Community," which offers employees an opportunity to volunteer in and to improve the Ardmore community through engagement with more than a dozen local charitable organizations.

#### **Will children of employees of the Noble Research Institute still qualify for scholarships under the Noble Educational Fund Scholarship Program?**

- Yes. While employees should consult eligibility requirements prior to any application, "a student applicant must be a dependent of a parent or legal guardian (as shown on the most current, filed income tax



return; provided however, extenuating circumstances will be properly considered), who is a full-time employee of any of the Noble Entities (i.e., Noble Corporation, Noble Energy Inc., Noble Research Institute, – all entities founded by Lloyd Noble, or any of their wholly owned subsidiaries) and has a minimum of one (1) year of service on Feb. 15 of the application year.”

**Will there be a logo change?**

- Yes. The Noble Research Institute has a new logo, icon and tagline.

**Will The Samuel Roberts Noble Foundation and Noble Research Institute logos coexist on campus?**

- Yes; however, The Samuel Roberts Noble Foundation will be limited to the entry way and the offices associated with philanthropy. The Noble Research Institute logo will be associated with all research, producer relations, education and support activities.
- We will work to update signage and other uses of the logos throughout 2017.

**Will the transition cause the organization to relocate all or a portion of its operations?**

- No. The Noble Research Institute will continue to conduct its operations from its 800-acre, Ardmore research campus as well as using its almost 13,000 acres of farm land located in southern Oklahoma.

**Who is the governing board or governing entity of the Noble Research Institute and the new Noble Foundation?**

- Tomorrow’s board will be the same as today’s board – the same directors, the same advisory directors. The Noble Research Institute will be governed by this board through the Noble Foundation.

**Where can I get more information?**

- We invite you to visit [www.noble.org](http://www.noble.org) to learn more about the Noble Research Institute’s operations and personnel.
- For grant seekers or scholarship applicants, please visit [www.noblefoundation.org](http://www.noblefoundation.org).