

**DORIS DUKE CHARITABLE FOUNDATION,
DUKE FARMS FOUNDATION, DORIS DUKE FOUNDATION FOR ISLAMIC ART,
DORIS DUKE MANAGEMENT FOUNDATION, DORIS DUKE FOUNDATION**

CONFLICT OF INTEREST POLICY

Final Revised on February 8, 2005

The Board of Trustees has adopted this policy statement in furtherance of the Governance Principles of the Foundation mandating that all Trustees, Officers and staff members adhere to the highest ethical standards. The Trustees are keenly aware that sensitivity to and avoidance of actual or apparent conflicts of interest are important considerations in all the operations of the Foundation. The Trustees also recognize that no written policy or guide can cover every situation. Responsibility for integrity and fairness must be fulfilled through individual compliance with the spirit as well as the letter of the law governing private foundations, and by careful and thoughtful adherence to a strict code of ethical behavior, including avoidance of self-dealing and private inurement.

The standards set out in this policy statement are, accordingly, guiding principles, which must be used along with one's good judgment. Overall, the objective of each Trustee, Officer and staff member must be honesty, fairness and integrity in all aspects of business and personal conduct, with full disclosure — erring on the side of caution — in any situations that are, or may become, conflicts of interest. A conflict of interest exists when:

- A Trustee, Officer or staff member takes part in a Foundation decision or other activity in which he or she may be unable to remain impartial or maintain objectivity in choosing between the interests of the Foundation, its assets and resources, and his or her personal or other interests.

The possibility of a potential conflict of interest can be difficult to recognize. It is essential, therefore, that **all potential or apparent conflicts of interest be disclosed** as soon as they become evident regardless of how innocuous they may seem, and that the Trustee, Officer or staff member involved refrain from any action that might constitute a violation of this policy.

The Trustees acknowledge that defining and resolving actual or apparent conflicts of interest are often matters of degree and judgment. The General Counsel is authorized to review disclosures and other information raising real, potential, or apparent conflicts and to report these to the President or, as appropriate, to the Chair, the Chair of the Audit Committee or entire Board for resolution.

In implementing this Policy with respect to Officers and staff members, the President is authorized to provide clarification and process regarding acceptable behaviors and relationships and the definition of the boundaries, as appropriate.

In fulfilling its mission, it is expected that the Foundation may provide funds as necessary or appropriate to the Newport Restoration Foundation, the Doris Duke Foundation for Islamic Art, the Duke Farms Foundation, the Doris Duke Management Foundation and the Doris Duke Foundation. It is anticipated that one or more Trustees of this Foundation may also be directors

or officers of any or all of these other foundations, and in some cases certain officers and staff members of this Foundation or the other foundations above mentioned, may also have responsibilities for these other foundations. While it is important that Trustees, officers and staff at all times keep in mind the spirit and intent of this policy, it is also not the intention of this policy to prevent or interfere with the funding of these other foundations. Therefore, the following policy guidelines shall not apply to decisions involving the provision of funds or other dealings by this Foundation to and with any of the other foundations named above, provided that such decisions are nonetheless otherwise made with utmost attention to the high standard of integrity and ethical behavior espoused by this policy.

AFFILIATIONS WITH GRANTEE ORGANIZATIONS

Grant requests from organizations with which Trustees, Officers, staff members or members of their families* are connected are subject to particularly thorough review. The guidelines below are to be followed in making grants to organizations with which Trustees, Officers, staff members or members of their families are affiliated as directors, trustees or officers, or in any other capacity with responsibility for the organization's management or operations, or with which there is a relationship, other than casual:

- No Trustee or Trustee's family may act as an advocate or intermediary with the staff of the Foundation for a grant (or re-grant) to an organization or individual with which the Trustee or a member of the Trustee's family is affiliated as a director, trustee or officer, or in any other capacity with responsibility for such organization's management or operations, or has a relationship, other than casual. This does not preclude others connected with the same organization from having access to the staff to discuss grant proposals. Trustees or members of Trustees' families wishing to provide information about grant proposals from organizations with which they are so connected should initiate communications with the staff through the President or the Chair of the Board. It is then the responsibility of the President or Chair of the Board to arrange any meeting or communication in a manner consistent with this policy statement.
- Whenever a Trustee or a member of his or her family is an officer, director or trustee of a grantee, prospective grantee, or is directly involved in a proposal under consideration, the Trustee must disclose the relationship and withdraw from the meeting of the Trustees or of the relevant Committee prior to the discussion and the vote on that proposal.
- Whenever an Officer or a staff member or a member of his or her family is connected with a grantee, prospective grantee, or a potential recipient of grant funding, the Officer or staff member must disclose the relationship as part of the docket item and — except in extraordinary circumstances which may be authorized by specific instructions approved by the President — is prohibited from participating in the deliberations regarding the grantee or prospective grantee.

In keeping with these guidelines, the General Counsel of the Foundation will:

* A member of a Trustee's, Officer's or staff member's "family," when referred to in this Policy, shall include his or her spouse, significant other, siblings, parents, children, grandchildren and great grandchildren (and their spouses'); spouse's, or significant other's parents, children, grandchildren, and siblings; and others living in the household.

- Send or cause to be sent at least annually to each Trustee, Officer and staff member for updating a form for listing the nonprofit organizations with which the Trustee, Officer or staff member and members of his or her family are connected as a director, trustee or officer, or in any other non-casual relationship. Trustees, Officers and members of the staff are responsible for updating these periodic disclosure forms and returning them to the General Counsel. Trustees, Officers and members of the staff and family members having no such affiliations or relationships need only affirm this fact on the disclosure form.
- Incorporate or cause to be incorporated in relevant meeting dockets and discussions (to be recorded in the Minutes) an appropriate disclosure of such affiliation of Trustees, Officers, staff members or members of their families with any prospective grantee or potential recipient of grant funding, such that the material facts as to such affiliation or relationship are disclosed in good faith to all the Trustees or members of the relevant Committee, and the Trustees or Committee authorize the affected grant, if at all, by a vote sufficient for such purpose without counting the vote or votes of the interested Trustee(s).

RELATIONSHIP TO SUPPLIERS OF GOODS OR SERVICES

No Trustee, Officer or staff member may make, participate with others in making, or otherwise influence, any decision to purchase goods or services, or borrow money, from any organization or individual in which the Trustee, Officer or staff member or a member of his or her family has a direct financial interest or with which he or she is connected, other than casually. These guidelines are not intended to prevent the Foundation from purchasing goods or services, doing business with or borrowing money from an organization or individual in which a Trustee, Officer, staff member or a member of his or her family has a direct financial interest or is connected. Any decision to purchase goods or services, do business with or borrow money from any such individual or organization must have first been made in compliance with these guidelines and with the private foundation rules of the Internal Revenue Code, and disclosed in writing to the General Counsel, together with a summary of the relationship and the factors that influenced the decision (such as comparison of costs from other suppliers or other benefits to the Foundation). This writing should then be appended to the documents reflecting the transaction. (The term “supplier” in this policy includes but is not limited to consultants, advisors, agents, brokers and contractors).

ACCEPTANCE OF GIFTS/ITEMS

No Trustee, Officer or staff member or any member of his or her family may accept any payment or item of value (except the occasional item of nominal value which is \$75.00 or under), including invitations to an event/performance for personal use, from a grantee, grant applicant or supplier, except nominal hospitality, appropriate occasional social or infrequent dining invitations, or if presented to the Foundation through the Trustee, Officer or staff member as its representative and then turned over to the Foundation by such Trustee, Officer or staff member. In general, Trustees, Officers and staff members should make every effort to decline to accept expensive gifts or items, but in cases where it would be considered ungracious to do so, the Trustee, Officer or staff member should make clear that the item is being accepted on behalf of and will be given to the Foundation. Disclosure, except of nominal value (\$75.00 or under), should be made in writing to the General Counsel when received.

Complimentary attendance at events, performances, gatherings, and the like which are typically made available to donors, grantors, or groups of professionals are permitted only if

attendance is required in order to fulfill the attendee's job responsibilities and the Foundation's charitable purpose.

USE OF FOUNDATION ASSETS

In order to avoid the appearance of a conflict of interest and private inurement, no Trustee, Officer or staff member may use the assets or property of the Foundation for personal benefit, without the prior written approval of the President or Chair. Assets and resources include but are not limited to: staff, real property, vehicles and other equipment, office equipment, technology, supplies, tools, services, financial, postal meters, tour tickets, etc. An incidental use of the fax machine, a pen, the copier, an assistant or the like, is not banned in the absolute, unless it is frequent and/or extensive.

OUTSIDE ACTIVITIES OF STAFF

Nonprofit board or committee memberships, speaking engagements, teaching assignments, and consultancies related to the Foundation. The following guidelines should be adhered to by Officers and staff members in responding to any offer of a board or committee membership, speaking engagement, teaching assignment, or consultancy that is extended because of the individual's Foundation affiliation or is related to the Officer's or staff member's Foundation responsibilities or duties:

- The Officer or staff member should make a judgment as to the significance of the project and its appropriateness for Foundation staff participation and consider whether the invitation represents an important opportunity to perform in a professional capacity that contributes to objectives that are consistent with the general interests of the Foundation.
- A written request for approval to undertake such an assignment should be made to the President, or in the case of the President, to the Chair of the Board or in accordance with the President's agreement with the Board of Trustees. The factors considered for approval should include the relationship between the organization and the Foundation and any potential conflict of interest; the service to be performed and its relationship to the Foundation's work; any expected benefit to the Foundation, Officer or staff member; the amount of time that will be required and any possible cost to the Foundation for travel, etc.; and any plan for the outside organization to cover travel or other expenses.
- In almost no case may a full-time Officer or staff member accept honoraria or payment for such services. A request for an exception to this policy should be made to the President, or in the case of the President, to the Chair of the Board, at the time the Officer or staff member requests approval to accept the assignment. In declining an honorarium/payment, the Officer or staff member may instruct the sponsor to donate the payment to a charitable organization of the sponsor's choosing.
- Payment for travel expenses for such services is ordinarily appropriate if such reimbursement will have no effect on any Foundation grant, potential grant, or investment decision. In some instances, however, an outside assignment will be closely enough related to official duties that travel expenses should be borne by the Foundation (except for incidentals provided similarly situated attendees).

Such outside activities, if unrelated to the Foundation, must be performed without the use of any assets or resources of the Foundation and on personal time, unless specifically authorized in

advance by the President or Chair. Officers and staff members may accept speaking fees or royalties for the publication of materials that in either case are prepared and/or given on their own time, without the use of Foundation assets or resources, and do not result directly or indirectly from the affiliation with the Foundation or Foundation activities.

Corporate boards. Officers and staff members are permitted to serve and to receive compensation for service on private corporate boards. Such service is subject to advance approval by the President or, in the case of the President, by the Chair of the Board or pursuant to the President's agreement with the Board of Trustees. Such approval will be based on consideration of the nature of the corporation and its business and the anticipated time commitment.

Each staff member serving on a corporate board is expected to be alert to the emergence of possible or apparent conflicts of interest and to bring them to the attention of the General Counsel. If the conflict or appearance of a conflict would jeopardize the Foundation's objectives or interests, the Officer or staff member may be asked to resign from the board.

Each Officer and staff member is required to report to the General Counsel at least annually his or her corporate board memberships and the compensation received from each such position. The President will review Officer's and staff members' service on corporate boards periodically and the Chair of the Board will review at least annually the President's service on any such boards.

Honorary degrees and other awards. Trustees, Officers and staff members may accept prizes awarded to them for work done on their own time, without the use of Foundation assets or resources, and that are not the direct or indirect result of affiliation with the Foundation or Foundation activities. If an Officer or staff member is designated to receive an honorary degree or other award because of, or that makes reference to, his or her Foundation affiliation, approval to receive the honor must be sought in advance from the President or, if the President is to receive the honor, from the Chair of the Board and, if the Chair is the intended recipient, from the entire Board.

INVESTMENT ACTIVITIES

Trustees, Officers and staff members associated with the Foundation's investment program have a paramount obligation to make all decisions affecting that program solely on the basis of the Foundation's best interests. This requires that they be alert to situations in which a conflict or potential conflict of interest, including self-dealing and private inurement, could arise and apply the strictest ethical standards in determining whether such a conflict could appear. To make such scrutiny possible, Trustees, Officers and staff members are required to promptly disclose to the Chair of the Investment Committee of the Board (or in the case of the Chair of the Investment Committee, to the Chair of the Board) any present or past business or personal connections (other than casual acquaintances) they or their families have or have had with any present or proposed manager (as the situation arises) of the Foundation's assets or any other organization or individual with which the Foundation has, or considers having, an investment or investment advisory or brokerage relationship. A list of current and potential Foundation relationships will be provided for review to Trustees and affected Officers and staff members, as appropriate.

The following guidelines apply to conflict of interest situations involving the Foundation's investment program.

- The Foundation may not engage the services of or invest directly in organizations or individuals in which a Trustee, Officer or staff member or a member of his or her

family has a direct substantial financial interest or with which he or she is connected (other than casually) and, may not engage the services of an organization or individual with which a Trustee, Officer or staff member or a member of his or her family has significant non-Foundation business dealings or relationships, including investment or co-investment, purchases or sales of goods and/or services.

- Except for inconsequential infrequent gifts (valued at \$75.00 or less) or occasional social or infrequent dining invitations, no Trustee, Officer or staff member or any member of his or her family may accept payments, items of any kind, or invitations for personal use to events/performances from organizations or individuals with which the Foundation does investment or investment advisory business or which is seeking to do such business with the Foundation. In general, Trustees, Officers and staff members should make every effort to decline to accept gifts or items, but in cases where it would be considered ungracious to do so, the Trustee, Officer or staff member should make clear that the item is being accepted on behalf of and will be given to the Foundation. If an event/performance is one that should be attended by the Trustee, Officer or staff member, it must be based upon the attendee's furtherance of his/her Foundation responsibilities and the Foundation's charitable purpose.

Complimentary attendance at events, performances, gatherings, and the like which are typically made available to donors, investors, or groups of professionals are permitted only if the invitation is not in recognition, acknowledgement, or gratitude for the Foundation's relationship, and/or only if attendance is required in order to fulfill the attendee's job responsibilities and the Foundation's charitable purpose.

It should be kept in mind that the Foundation is also prohibited by Internal Revenue Service regulations from engaging in certain transactions with a brokerage firm or partnership in which the Foundation's Trustees, Officers or staff or members of their families own more than 35 percent of the total combined voting power or interest in profits, respectively. The regulations prohibit any transaction in which the brokerage firm is acting as a dealer, buying from the Foundation as principal and reselling to third parties. Transactions in which the brokerage firm is acting as agent for the Foundation are not prohibited by the Internal Revenue Service regulations, provided that the compensation paid to the brokerage firm for its services is not excessive. Under such circumstances, the competitiveness of the compensation should be documented and provided to the Investment Committee.

Conflict of Interest Policy History

Doris Duke Charitable Foundation
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Doris Duke Foundation for Islamic Art
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