

PQA, INC.

Bylaws

ARTICLE I

NAME, OFFICES, FISCAL YEAR

Section 1.01 Name. The name of the corporation is PQA, Inc. (hereinafter referred to as the "Corporation"), incorporated under the General Corporation Law of Delaware on June 16, 2008.

Section 1.02 Registered Office. The registered office of the Corporation shall be at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, County of New Castle.

Section 1.03 Other Offices. The Corporation may establish other offices, within or without the State of Delaware, as the Board of Directors may from time to time designate or require.

Section 1.04 Fiscal Year. The fiscal year for the Corporation shall begin on January 1 of each calendar year.

ARTICLE II

PURPOSE, OBJECTIVES, AND APPROACH

Section 2.01 Purpose. The Corporation is incorporated exclusively for charitable, scientific, testing for public safety, and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended or modified or replaced by any future United States internal revenue law (the "Code"). Specifically, the Corporation is formed to promote education with respect to healthcare and medication related issues through developing programs designed to: (a) improve our nation's healthcare quality, safety, and patient outcomes through the promotion of performance standards for pharmacies and pharmacists; (b) collect and disseminate data related to the same; (c) report information to

consumers, pharmacists, and other stakeholders in healthcare; and (d) stimulate the development of efficient processes.

Section 2.02 Objectives. The Corporation is a nationally recognized quality organization dedicated to improving medication safety, adherence, and appropriate use. The Corporation will accomplish this purpose through quality measurement, education, research, and convening initiatives which support and promote better medication use, improved access, and high-quality patient care.

Section 2.03 Approach.

- (a) Method. The Corporation will engage members and stakeholders through a multi-stakeholder, transparent, and consensus-based approach.
- (b) Ownership. The Corporation shall develop and own its products and services (“Corporation Content”) and shall protect such Corporation Content accordingly. The Corporation shall copyright and own the intellectual property for all Corporation Content created by its committees, panels, workgroups, and advisory committees, as well as staff and contractors. Subject to the Corporation’s prior approval, Corporation Content may be licensed or otherwise made available for use by duly authorized individuals or entities in accordance with such terms and conditions for use and such licensing terms and fees as the Corporation specifies. The Corporation’s Corporation Content and associated copyrights and other intellectual property rights shall be monitored to assure control of the ownership and accuracy of published products and services, and the Corporation shall have authority to permit accurate reproduction and further dissemination of copyrighted materials and other Corporation Content to promote the use of its work.
- (c) Financial Structure. The Corporation shall operate as a 501(c)(3) not-for-profit organization with funding from sources such as, but not limited to, membership dues, meeting registration fees, delivery of membership services, grants, research projects, joint ventures, sponsorship, and licensing royalty fees.

ARTICLE III

MEMBERS

Section 3.01 Members. The Corporation shall have members, which shall be organizations meeting such eligibility requirements as are specified in or pursuant to these Bylaws. Status as a member in good standing may be a prerequisite for service on the Corporation's Board of Directors, or any committee, panel, workgroup, or advisory committee thereof, as well as for participation in any other affairs of the Corporation.

Section 3.02 Classes and Dues. The Board of Directors shall adopt, by a duly approved resolution, a Standard Operating Policy ("SOP") specifying requirements for membership. The SOP for membership shall define the classes of members and specify dues for each class of members annually after evaluation by the finance committee. Any change recommended by the finance committee must be approved by a majority vote of the Corporation's Board of Directors.

Section 3.03 Membership Criteria. Members must meet the eligibility requirements as set forth in the Corporation's SOP for membership and must satisfy the following criteria:

- (a)** Dues must not be delinquent;
- (b)** Members must commit to advance the mission of the Corporation;
- (c)** Members must commit to work with other members and stakeholders in the Corporation's activities in a constructive and consistent manner; and,
- (d)** Members must have a direct interest in improving medication safety, adherence, and appropriate use through measure development, education, research, and convening initiatives.

Section 3.04 Voting Rights. Each eligible member shall be entitled to one vote on any matters

presented to the membership by the Board for the purpose of a vote. Voting may be conducted through written or electronic ballots, email, or other prevailing means of ballot collection that is recorded and documented.

Section 3.05 Transfer of Membership Interest. Membership, including voting rights and access to membership benefits, may not be transferred to any other member, individual, or entity.

Section 3.06 Annual Meeting. Each year, the Corporation shall hold an annual meeting of the members for the purpose of transacting such business as may come before the meeting.

Section 3.07 Special Meetings. Special meetings of the members may be called by the Board of Directors or upon official petition by a majority of members.

Section 3.08 Notice. Written or electronic notice stating the location, date, and time of any meeting of members shall be communicated to each eligible member, at least ten (10) days in advance of the date of the meeting, unless otherwise required by law. In case of a special meeting as outlined in Section 3.07, or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

Section 3.09 Quorum. A quorum at any annual or special meeting shall consist of at least 33 percent of members.

Section 3.10 Proxies. Members shall be permitted to vote by proxy. To be valid, a proxy must be timely documented in writing or via electronic transmission and evidence proper authorization to vote by an authorized representative of the member submitting the proxy.

Section 3.11 Action. At a meeting at which a quorum is present, a majority of the votes cast on a matter to be voted upon by the members entitled to vote shall be necessary for the

adoption thereof, unless a greater proportion is required by law, these Bylaws, or any SOP adopted by a duly approved resolution of the Board.

ARTICLE IV
BOARD OF DIRECTORS

Section 4.01 Number, Election & Term of Office. The affairs of the Corporation shall be managed by a Board of Directors. The Board of Directors shall consist of no less than nine (9) and no more than twenty-five (25) Directors. The Board shall set the number of Directors from time to time by unanimous vote. Directors shall be elected by a majority vote of the Directors then in office at a regular annual meeting of the Board or at a special meeting of the Board called for such purpose. Each Director shall hold office for a three (3) year term of service and until a successor is duly elected or until death, resignation, or removal. Directors may serve up to two (2) consecutive terms. The Board of Directors may elect to extend the term of Directors serving as Officers for the Corporation for up to two additional years to ensure continuity in leadership.

Section 4.02 Qualifications. The nominating committee shall establish and annually review competencies and service commitments for Board service. Directors shall be employed by, or serve as an authorized representative of, a member in good standing. No member shall have more than one employee or authorized representative on the Board at any given time. Previous service as a Director shall not automatically disqualify an individual from future service on the Board; provided that, when an individual has completed the maximum term of service allowed in Section 4.01, that individual shall not be eligible for re-election to the Board in the year immediately following the completion of their second term.

Section 4.03 Ex Officio Directors. The individual holding the position of Administrator for the Centers for Medicare & Medicaid Services, or the agency's designee, shall serve as an ex officio voting member of the Corporation's Board of Directors, for as long as they hold that position

and until a successor is duly elected or until death, resignation or removal. In addition, the Chief Executive Officer of the Corporation shall serve as an ex officio voting member of the Corporation's Board of Directors.

Section 4.04 Requests for Election. The Board of Directors shall adopt, by a duly approved resolution, an SOP for elections. The Chair of the Board of Directors shall annually appoint and chair a nominating committee to evaluate nominations and recommend a slate of Board and Officer nominees to the Board of Directors.

Section 4.05 Duties. The Directors shall serve as fiduciaries of the Corporation. In addition to duties of care, loyalty, and obedience, as well as those duties prescribed by Delaware law, Directors shall:

- (a) Provide overall direction and guidance to the Corporation's committees, panels, workgroups, and advisory committees;
- (b) Provide overall direction and guidance related to the Corporation's interactions with other major quality initiatives within the healthcare system;
- (c) Participate in the Corporation's regular and special meetings of the Board of Directors;
- (d) Participate in the Corporation's annual meeting of members;
- (e) Approve the Corporation's annual operating budget and membership dues structure;
- (f) Ratify the actions of the Executive Committee and other Board committees;
- (g) Vote on matters of importance for the Corporation;
- (h) Approve and monitor the Corporation's strategic plan;
- (i) Contract with, and monitor the performance of, the Corporation's Chief Executive Officer;
- (j) Fulfill obligations as determined by a majority of the Corporation's Board of Directors; and
- (k) Provide other such guidance as is deemed necessary and appropriate for the Corporation to operate in an efficient manner and through a consensus-based process with multiple stakeholders.

Section 4.06 Standard Operating Policies. The Board of Directors, on behalf of the Corporation, shall adopt standard operating policies, including a Conflict of Interest SOP, consistent with best practices and applicable state and federal laws and regulations for nonprofit Corporations.

Section 4.07 Regular Meetings. The Board of Directors shall hold at least three (3) regular meetings per year, one of which shall be designated as its annual meeting. Any business may be transacted at any regular meeting. Meetings shall be held live, either in-person or through virtual, telephonic, or other prevailing technologies, and in accordance with the requirements of the Bylaws.

Section 4.08 Annual Meeting. The annual meeting of the Board of Directors shall be held at such place and time as determined by the Chief Executive Officer. At its regular annual meeting, the Board may transact any and all business related to its mission and strategic plan, approval of the budget for the following year, and any change in the Board of Directors.

Section 4.09 Special Meetings. A meeting of the Board of Directors may be called at any time by the Chair, or by a majority vote of the Board, to be held at such place and day and hour as shall be specified by the person or persons calling the meeting. Except as otherwise provided herein or required by law, any business may be transacted at any special meeting regardless of whether the notice calling such a meeting contains a reference thereto.

Section 4.10 Notice. Notice of regular meetings shall not be required, except as otherwise expressly required herein or by law. Notice of every special meeting of the Board of Directors shall be given by the Chief Executive Officer by telephone, email, electronic, or other prevailing means of notification, to each Director in advance of the meeting.

Section 4.11 Quorum. At all meetings of the Board, the presence of a simple majority of the

Directors (including Ex Officio Directors) then in office shall constitute a quorum.

Section 4.12 Voting; Actions of the Board. Except as specifically set forth herein, any action of the Board upon any matter shall be valid and effective, with the affirmative vote of the majority of the Directors present at a meeting duly convened and at which a quorum is present.

Directors may not vote by proxy or liaison.

Section 4.13 Recording Officer. The Secretary, or their designee, shall be responsible for taking minutes at all meetings of the Board.

Section 4.14 Virtual Participation. One or more Directors may participate in any regular or special meeting of the Board of Directors, or of a committee of the Board of Directors, by phone, video conference, or other prevailing technologies. Participation in a meeting in this manner by a Director will be considered to be attendance in person for all purposes under these Bylaws.

Section 4.15 Unanimous Consent. Any action required or permitted to be taken by the Board of Directors or a committee of the Board of Directors may be taken without a meeting, if all members of the Board or the committee eligible to vote on such matters in accordance with these Bylaws consent in writing to the adoption of a resolution authorizing the action. Written consent may be given by a wet, electronic, or digital signature, or other prevailing means. The resolution and the written consents thereto by the members of the Board or such committee shall be filed with the Secretary of the Corporation along with the minutes of the proceedings of the Board or of such committee. Action taken under this Section becomes effective when the last Director signs the consent, unless the consent specifies a different effective date, in which case action taken is effective as of the date specified therein, provided the consent states the date of execution by each Director.

Section 4.16 Resignations. Any Director may resign by submitting an official resignation in

writing to the Chief Executive Officer. Such resignation shall become effective upon its receipt by the Chief Executive Officer or as otherwise specified therein.

Section 4.17 Vacancies. Each person so elected as a Director shall be a Director until the expiration of his or her term, as determined at the time of election, or until death, resignation, or removal. Any vacancy on the Board of Directors that occurs by reason of death, resignation, or any other cause, may be filled pursuant to a majority vote of the Directors then in office. Vacancies may be, but are not automatically, filled with another representative of the same member that the vacating Director represented.

Section 4.18 Compensation. Directors shall not receive compensation for service on the Board of Directors.

Section 4.19 Removal. Any Director may be removed for cause by a two-thirds majority (66 percent) of the Directors then in office.

ARTICLE V

COMMITTEES

Section 5.01 Executive Committee. The duly elected Officers for the Corporation shall serve as the executive committee. Except as may be otherwise provided in the resolution designating such committee, the executive committee shall have and may exercise, during the intervals between meetings of the Board of Directors, all of the powers of the Board of Directors, except that the executive committee shall not have the power to amend or repeal these Bylaws or to adopt new Bylaws; to fill vacancies in, change the number of, or remove members of the Board of Directors; or to dissolve, remove members or change the number of, or fill vacancies in the executive committee; or to amend or repeal any resolution of the Board of Directors which by its terms shall not be amendable or repeal-able. It shall be the duty of the executive committee to supervise the operations of the Corporation between meetings of the Board. Any actions of

the executive committee shall be ratified by the Board of Directors at its next regular meeting following the action. The executive committee may, in its discretion, delegate to the Chief Executive Officer of the Corporation or to a subcommittee, details of operations or expenditures of the Corporation. The executive committee shall meet at the call of the Chair during such dates and times as shall be designated by the Chair.

Section 5.02 Committees of the Board. Standing and ad hoc committees may be formed upon a majority vote of the Board of Directors from time to time. Standing and ad hoc committees shall be appointed by the Chair of the Board and shall consist of at least three (3) but not more than seven (7) members, must include at least one (1) Director of the Corporation, and may include members that are not Directors. Each such committee shall have and exercise such authority of the Board of Directors in the management of the business and affairs of the Corporation as the authorizing resolution may specify from time to time, provided such action is in accordance with Delaware law.

Section 5.03 Standing Committees. The Board may form permanent standing committees from time to time to carry out its duties and ensure compliance with applicable laws, regulations, and best practices. Standing committees shall have such duties and authorities as designated in these Bylaws and in Board SOPs, subject to the general restrictions herein with respect to delegation of duties. Standing committees may include, but are not limited to, a nominating committee, finance committee, and audit committee, as follows:

- (a) Nominating Committee:** The nominating committee is responsible for carrying out the actions as described in these Bylaws and in the SOP for elections. The Chair of the Board of Directors shall serve as the Chair of the nominating committee.
- (b) Finance Committee.** The finance committee shall be chaired by the Treasurer and will monitor the financial performance of the Corporation. The finance committee shall also serve as the Board of Directors' investment committee, and in such role shall have the responsibility for implementing an investment policy to govern investment decisions for the Corporation's current and future endowment and investment accounts.

(c) **Audit Committee.** The audit committee shall be chaired by a member of the Board of Directors other than the Treasurer and will oversee all financial reporting, accounting policies, and internal controls that promote good stewardship. Further, the audit committee oversees the Corporation's audit process.

Section 5.04 Ad Hoc Committees. The Board may form ad hoc committees from time to time to serve a specific purpose or address a limited or single issue. An ad hoc committee shall have such duties and authorities as shall be designated in the resolution creating the ad hoc committee, subject to the general restrictions herein with respect to delegation of duties.

Section 5.05 Membership and Procedure: Except as otherwise provided in these Bylaws, the Chair shall appoint the Chairs of the Standing and Ad Hoc committees subject to ratification by the Board of Directors. Except as otherwise specifically provided herein and subject to any standard operating policies for appointment established by the Board of Directors, the Corporation's full-time staff may recommend suggested members of the committees.

Section 5.06 Quorum and Actions. At all meetings of a committee, the presence of members of such committee able to cast at least a majority of the votes of the entire committee shall be necessary and sufficient to constitute a quorum for the transaction of business. Actions of the committee upon any matter shall be valid and effective with the affirmative vote of members casting a majority of votes present at a meeting duly convened and at which a quorum is present.

Section 5.07 Authority of Board. Any action taken by any committee shall be subject to review and approval by the Board of Directors.

Section 5.08 Panels, Workgroups, and Advisory Committees. In addition to and separate from standing and ad hoc committees described above, the Corporation may form panels, workgroups, and advisory committees to support and advance its substantive mission, goals,

and objectives in such manner as specified in the resolution forming the panel, workgroup, or advisory committee. In no event shall any such panel, workgroup, or advisory committee assume any authority or duties for the governance of the Corporation.

ARTICLE VI

LIABILITY

Section 6.01 Personal Liability of Directors.

- (a)** Elimination of Liability. To the fullest extent permitted under the laws of Delaware as now in effect and as hereafter amended, no Director of the Corporation shall be personally liable for any action taken or any failure to take any action as a Director.
- (b)** Nature and Extent of Rights. The provisions of this Section 6.01 shall be deemed to be a contract with each Director of the Corporation who serves as such at any time while this Section is in effect and each such Director shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Certificate of Incorporation which has the effect of increasing Director liability shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

ARTICLE VII

OFFICERS AND EMPLOYEES

Section 7.01 Officers. The Board of Directors shall annually elect Officers for the Corporation in accordance with these Bylaws and any applicable SOP. The Officers of the Corporation shall be comprised of six (6) designated positions: Chair, Vice-Chair, Secretary, Treasurer, Chief Executive Officer, and one (1) Member-at-Large. The immediate Past Chair may choose to remain as an Officer for the year immediately following their term as Chair to provide continuity of leadership. Except as provided below, each Officer shall hold office from January 1

through the end of the calendar year in year in which elected, or until death, resignation or removal.

Section 7.02 The Chair. The Chair shall serve a one-year term. The Chair shall preside at all meetings of the members and the Directors and shall perform all the duties commonly incident to such office and such other duties as the Board of Directors shall from time-to-time designate.

Section 7.03 The Vice-Chair. The Vice-Chair shall serve a one-year term and shall then succeed to the office of Chair. The Vice-Chair shall perform such duties as the Chair shall from time-to-time delegate to the Vice-Chair and shall perform such other duties as the Board of Directors shall designate. In the absence or disability of the Chair, unless otherwise determined by the Board of Directors, the Vice-Chair shall perform all duties of the Chair and when so acting shall have all the powers of and be subject to all the restrictions on the Chair.

Section 7.04 The Secretary. The Secretary shall serve a one-year term. The Secretary of the Corporation shall attend all meetings of the members and the Board of Directors and shall be responsible for the minutes of all meetings. The Secretary, or their designee, shall also give notice of all meetings. The Secretary shall, in general, have all the powers vested in the Secretary of a corporation, and shall perform the duties incident to such office.

Section 7.05 The Treasurer. The Treasurer shall serve a one-year term, provided that a Director may serve multiple years as Treasurer in accordance with these Bylaws. The Treasurer shall serve as Chair of the finance committee and shall provide oversight of funds and disbursement under the direction of the Board of Directors. The Treasurer shall preside over the finance committee meetings and report on the committee's actions at each regular meeting of the Board of Directors. The books shall, at all times, be subject to the inspection by the Board of Directors of the Corporation. The Treasurer shall perform all duties usually performed by the Treasurer of a corporation and shall, subject to the foregoing limitations, have the power and authority commonly incident to such office. The Corporation's financials shall be reviewed

periodically by an independent financial audit firm designated by the Board of Directors with oversight by the audit committee.

Section 7.06 Chief Executive Officer. The Chief Executive Officer shall be chosen by and serve at the pleasure of the Board of Directors. The Board of Directors shall, on behalf of the Corporation, hire the Chief Executive Officer in accordance with such terms and for such fixed period as the Board of Directors deems reasonable and in the best interests of the Corporation. The Chief Executive Officer shall be responsible for the operations, management, and execution of the activities of the Corporation, and supervision of staff. The Chief Executive Officer shall serve as a member of the Board of Directors and an officer of the Corporation. By virtue of the office, the Chief Executive Officer shall be a voting ex-officio member of all other Corporation committees, panels, workgroups, advisory committees, and any other group established by the Board of Directors. Duties shall also include recommending to the Chair and to the Board of Directors ways and means of carrying out policies, programs and other activities; arranging meetings of the Board of Directors, members, committees, and giving timely notice of such meetings; assisting in the preparation of agendas; and maintenance of all minutes and records; and performing other such duties as may be from time-to-time prescribed by the Board of Directors or the Chair.

Section 7.07 Additional Officers; Other Agents and Employees. The Board of Directors may from time to time appoint or employ such additional officers, assistant officers, agents, employees and independent contractors, as deemed necessary; the Board or the Chair shall prescribe duties, conditions of employment and compensation; and the Board shall have the right to dismiss them at any time, without prejudice to contract rights, if any.

Section 7.08 Vacancies. Any vacancy in any office or position by reason of death, resignation, removal, disqualification, incapacity or other cause shall be filled in the manner provided in these Bylaws for regular election or appointment to such office. The Board may vote to fill vacancies prior to the next annual election of officers.

Section 7.09 Delegation of Duties. The Board of Directors may in its discretion delegate for the time being the powers and duties, or any of them, of any officer to any other person whom it may select. Upon authorization by the Board of Directors, an officer may delegate performance of specific duties to employees and agents of the Corporation.

ARTICLE VIII

MISCELLANEOUS CORPORATE TRANSACTIONS AND DOCUMENTS

Section 8.01 Execution of Notes, Checks, Contracts and Other Instruments. Subject to such limitations as are prescribed in a SOP adopted by the Board via a duly approved resolution, the Treasurer, Chief Executive Officer, and Chief Operating Officer shall have the authority to approve notes, checks, contracts, and other instruments of the Corporation, and all deeds, mortgages, contracts and other instruments requiring execution by the Corporation. The Board of Directors may confer the authority to sign any of the foregoing, which may be general or confined to specific instances, to any other person or persons.

Section 8.02 Voting Securities Owned by Corporation. Securities owned by the Corporation and having voting power in any other corporation shall be voted by the Board of Directors unless the Board confers authority to vote with respect thereto, which may be general or confined to specific investments, upon an Officer of the Corporation.

Article IX

NAME TRADEMARK

Section 9.01 Trademark. “PQA” is a trademark of the Corporation registered with the United States Patent and Trademark Office. The Corporation shall take appropriate steps to protect this trademark.

ARTICLE X
AMENDMENTS

Section 10.01. Amendments by Members. These Bylaws may be amended, altered or repealed, and new bylaws may be adopted, by an affirmative vote of a simple majority of the eligible members voting at a meeting of the members for which a quorum is present, provided that a statement of the proposed amendment shall have been either given in the notification of the meeting to the members or have been set forth on a written ballot pertaining to the amendment.

Section 10.02 Amendments by Board. These Bylaws also may be amended, altered or repealed, and new bylaws may be adopted, by a majority vote of the Board of Directors. Prior to the Board's adoption of any amendment to these Bylaws, notice of proposed changes shall be communicated to members with an opportunity to provide comment. The Board shall review any comments received by members prior to adopting any amendments to these Bylaws. The Board of Directors, or an appointed ad hoc committee of the Board, shall periodically review these Bylaws and make recommendations to the Board regarding proposed amendments.