

ARTICLES OF ORGANIZATION

NATIONAL ASSOCIATION OF SPECIALTY PHARMACY PAC

1. Name, Principal Office and Address.

The National Association of Specialty Pharmacy PAC (“the PAC”) was established in July 2018. The PAC’s principal address and office is located at 300 New Jersey Avenue NW, Suite 900, Washington, DC 20001.

2. Organization.

The PAC is a voluntary, nonprofit, unincorporated political organization established and operated in compliance with the Federal Election Campaign Act of 1971, as amended (“FECA”), Federal Election Commission (“FEC”) regulations, and any applicable state or local laws. The PAC is independent of any political party, candidate, or organization, except that the National Association of Specialty Pharmacy (“NASP”) defrays the PAC’s establishment, administration, and contribution-solicitation costs to the extent permitted under applicable laws. NASP members may also, from time to time, provide permissible support for the PAC’s establishment, administration, and contribution-solicitation costs.

3. Purpose and Activities.

- a. Purpose. The PAC financially supports political candidates, parties, and other organizations, regardless of party affiliation, that have taken responsible positions on issues that are consistent with NASP’s organizational goals.
- b. Activities. To achieve the PAC’s purpose, the PAC may accept lawful, voluntary contributions from the personal funds of Eligible Participants, as described in Article 4. Further, the PAC may expend contributions to: (i) sponsor political education and involvement activities for NASP employees and members; (ii) influence the passage of ballot measures and the nomination and election of candidates for federal, state, and local elected office in compliance with applicable laws; and (iii) fulfill any other lawful purpose authorized by the PAC’s Board in its sole discretion.

4. Eligible Participants.

An individual may be solicited to contribute to the PAC if he or she is a NASP executive employee who is classified as overtime-exempt under the federal Fair Labor Standards Act, an individual who is a compensated member of the NASP Board of Directors, an individual who is a member under NASP’s bylaws, or an eligible employee of a NASP member entity that has provided proper written approval in advance of the solicitation. To be solicited to contribute to the PAC, an individual must be either a United States citizen or a lawfully admitted for permanent residence in the United States.

5. Solicitations, Contributions, and Expenditures.

- a. Solicitations. The PAC may solicit only Eligible Participants, as described in Article 4. All solicitations will fully honor any individual’s request not to be solicited, and every solicitee shall be advised at the time of solicitation that he or she may refuse to contribute without any reprisal. Every solicitation will contain: (i) a statement of the PAC’s political purposes; (ii) a request for the contributor’s name, address, occupation, and employer; (iii) a declaration that the PAC is required to exercise its best efforts to obtain, maintain, and report a name, address, occupation, and employer for each individual who contributes to the PAC over \$200 in a calendar year; (iv) if any contribution amount is suggested, a statement that the amount suggested is only a guideline, that the solicitee may contribute more or less than the suggested amount, and that NASP will not favor or disfavor anyone because of the amount they

contribute or because of their decision not to contribute; and (v) any additional statements required by federal, state, or local laws.

- b. Contributions Must Be Voluntary. All contributions to the PAC must be voluntary. Contributions to the PAC may not be solicited or secured by physical force, job discrimination, financial reprisal, or by threat of any of the foregoing. Contributions may not be secured as a condition of employment or membership. No executive employee of NASP may individually solicit any employee he or she supervises.
- c. Treasurer and Assistant Treasurer Vacancies. No contribution may be accepted, and no expenditure may be made, by or on behalf of the PAC at a time when there are vacancies in the offices of Treasurer and Assistant Treasurer.
- d. PAC Assets. No NASP employee or member may share personally in any PAC funds or assets.
- e. Payroll Deduction. Policies with respect to the availability of payroll deduction and its procedures and regarding expenditures or distribution of all designated and undesignated contributions are within the PAC's sole discretion as permitted by law and in accordance with these Articles.
- f. Prohibited Contributions. The PAC may not accept contributions from corporations, labor unions, national banks, federal-government contractors, foreign nationals, or anonymous persons. Contributions that are advanced or reimbursed by any person other than the contributor (a.k.a. contributions in the name of another) will also not be accepted. Neither NASP nor any NASP member may augment any individual's compensation in order to effect a contribution to the PAC in that individual's name.
- g. Form of Payment. Contributions must be in the form of a check or other comparable bank instrument or authorized payroll deduction. No cash contributions will be accepted.

6. Separate Segregated Fund.

All contributions to the PAC must be maintained by the PAC in a non-interest-bearing separate, segregated fund. All PAC expenditures to any candidate or political committee must be made from this segregated fund and from no other source. The PAC's books, records, and accounts must be separate from those of NASP. The segregated fund should at all times have a minimum balance of \$5,000. Nevertheless, the PAC Board retains discretion to permit expenditures that would cause the segregated fund's balance to be less than \$5,000. Funds may be withdrawn by check or other payment orders drawn in the PAC's name when signed by the Treasurer, Assistant Treasurer, or other individual authorized by the PAC Board.

7. PAC Officer Appointments, Qualifications, Powers, and Duties.

- a. Appointments and Qualifications. The PAC's officers will be a Treasurer and Assistant Treasurer, both of whom must be United States citizens or permanent residents, and appointed by the PAC Board. The PAC Board may appoint other officers, as needed.
- b. PAC Treasurer Powers and Duties. The Treasurer shall: (i) maintain strict compliance with FECA, FEC regulations, and any pertinent state and local laws, including the timely and accurate filing of all public disclosure campaign statements and the prompt response to all inquiries; (ii) supervise and control the maintenance of adequate and correct accounts of the PAC's assets, liabilities, receipts, and disbursements; (iii) authorize compliance reviews, as provided in Article 10; (iv) designate one or more depository accounts that will hold PAC contributions and serve as the PAC's SSF; (v) collect and deposit, or cause to be collected and deposited, all funds contributed to the PAC; (vi) disburse or cause to be disbursed PAC funds, as directed by the PAC Board; and (vii) render to the PAC Board accounts of all PAC transactions and of the PAC's financial condition on an annual basis and/or upon request.

The Treasurer may perform other duties as may be assigned by the PAC Board. The Treasurer is a designated agent of the PAC for the purpose of signing all FEC reports and other the PAC documents.

- c. PAC Assistant Treasurer Powers and Duties. During the Treasurer's absence or incapacity, or when circumstances prevent the Treasurer from acting, the Assistant Treasurer shall perform the Treasurer's duties and exercise the Treasurer's powers. The Assistant Treasurer is a designated agent of the PAC for the purpose of signing all FEC reports and other the PAC documents. The Assistant Treasurer may perform other duties that the PAC Board or Treasurer may assign.

8. PAC Board Duties, Composition, Terms, and Operating Procedures.

- a. Appointments, Qualifications, Composition, and Terms. The PAC Board members will be appointed by NASP's Board of Directors. The PAC Board shall consist of at least three individuals. PAC Board members shall serve two-year terms, concurrent with each federal election cycle, except that they may be removed at any time by NASP's Board of Directors. If a vacancy occurs on the PAC Board, NASP's Board of Directors may appoint someone to fill the vacated position. PAC Board members must be United States citizens or permanent residents.
- b. Duties. The PAC Board supervises and directs the PAC's financial and administrative affairs, including the making of any contributions to candidates or political committees. The PAC Board may elect a Chairperson to preside over Board meetings and to establish or disband *ad hoc* working groups, when desirable, to consider various PAC-related matters.
- c. Term. Each director shall hold office for a term of two (2) years. Directors in good standing may be re-elected for one additional two-year term based on a majority vote of the NASP Board of Directors with a maximum term of service of two (2), two-year terms. Directors must be natural persons who are 18 years of age or older
- d. Removal and Resignation. The NASP Board may remove any director by a two-thirds vote at any time, with or without cause. A director may resign by presenting a written resignation to the NASP Board President and/or Executive Director.
- e. Vacancies. Any vacancy occurring on the Board may be filled by a majority vote of the NASP Board of Directors. A director elected to fill a vacancy shall serve for the remainder for the unexpired term of the predecessor. Elections shall occur throughout the year as vacancies occur.
- f. Compensation. Directors are not compensated for their service as directors.

9. PAC Board Meetings.

- a. Frequency of Meetings. PAC Board meetings will be held annually at a place and time designated by the PAC Board. A majority of PAC Board members may call for a meeting of the PAC Board at any other time.
- b. Meeting Procedures. A quorum of the PAC Board for the transaction of business consists of a majority of its members, but at all times must include the Treasurer. The PAC Board shall act by an affirmative vote of the majority of the PAC Board members present at a duly held meeting.
- c. Meeting Methods. PAC Board members may participate in a meeting through use of conference telephone or similar communications equipment, so long as all PAC Board members participating in the meeting can hear one another. Permissible telephonic or remote participation in this manner constitutes presence in person at a PAC Board meeting. Additionally, PAC Board members may participate in decision-making through use of an email to all PAC Board members. PAC Board members must respond to vote against the email's request.

10. Compliance Review.

The PAC's compliance procedures and financial statements will be audited by an outside accounting firm or law firm at least once per two-year election cycle to assure compliance with FECA, FEC regulations, and all other applicable laws. Such audits must be initiated within 60 days after the close of each election year. Related reports will be distributed to the PAC Board.

11. Training.

The PAC Board, the PAC Treasurer and Assistant Treasurer, and all other NASP employees who administer the PAC, must participate in an annual training session on relevant campaign finance laws that is performed by an experienced campaign finance attorney or compliance consultant.

12. Indemnification.

PAC officers, employees, and agents are entitled to indemnification in accordance with NASP's Articles of Incorporation and Bylaws, as if they are acting as NASP's officers, employees, and agents.

13. Adoption and Amendments.

These Articles will take effect upon approval by the PAC Board. These Articles may be amended from time to time by the PAC Board.

14. Dissolution.

While the PAC's duration is to be perpetual, the PAC may be dissolved at any time by the PAC Board. In that event, all remaining funds shall be distributed in a manner consistent with Article 3(b).