



Pharmacy
Compounding
Foundation

Governance Policies

Policy Manual

Revised 4 May 2021
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POLICY TYPE ENDS

POLICY 1.0 PURPOSE AND GOALS OF THE PHARMACY COMPOUNDING FOUNDATION

The Pharmacy Compounding Foundation's mission is to advance pharmacy compounding practice and the profession for the benefit of patients.

The vision of the Pharmacy Compounding Foundation is to enhance patients' quality of life with compounded medications.

The Pharmacy Compounding Foundation will strive to escalate the positive impacts of pharmacy compounding by:

- Funding innovative educational programs and research initiatives that enhance the quality, safety, responsiveness, and credibility of the pharmacy compounding profession;
- Encouraging curricular endorsement of the fundamental proficiencies essential to compounding pharmacists through alliances with educational institutions and accreditation bodies; and
- Sponsoring public education programs that acquaint healthcare professionals and the public with the services and issues related to pharmacy compounding.
- Supporting student participation in compounding professional development and advocacy programs to orient them about compounding and support compounding as a possible career path.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.0 GOVERNANCE COMMITMENT

The purpose of the Board of Directors, on behalf of the pharmacy compounding community, is to see to it that the Pharmacy Compounding Foundation:

1. Achieves appropriate results for appropriate recipients at an appropriate cost, and
2. Avoids unacceptable actions and situations.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.1 GOVERNING STYLE & VALUES

The Board will govern lawfully, observing Policy Governance principles, with an emphasis on:

- integrity and truthfulness in all methods and practices;
- outward vision rather than an internal preoccupation;
- encouragement of diversity in viewpoints;
- strategic leadership more than administrative detail;
- clear distinction of Board and staff roles;
- collective rather than individual decisions;
- future rather than past or present; and
- proactivity rather than reactivity.

Accordingly:

1. The organization, in its hiring and other activities, will not discriminate on the basis of race, creed, national origin, religion, age, handicap, political affiliation, sex, sexual orientation, or marital, parental or military status.
2. The organization's activities, with the exception of personnel matters, shall be open and accessible to reasonable scrutiny by the public.
3. The Board will cultivate a sense of group responsibility. The Board, not the CEO or designee, will be responsible for excellence in governing. The Board will be the primary initiator of policy, not merely a reactor to CEO or designee's initiatives.
4. The Board may use the expertise of individual members to enhance the Board's understanding of issues, but will not substitute such expertise for the judgment of the Board.
5. The Board will allow no officer, individual or committee of the Board to prevent or be an excuse for not fulfilling Board commitments.
6. The Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.



7. The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles and ensuring the continuance of governance capability.
8. Continual Board development will include periodic Board discussion of process improvement.
9. Within 30 days appointment of New board members, the Chief Executive Officer shall delegate the onboarding and orientation responsibilities.
10. For reference to maintain order, *Robert Rules of Order* will apply to meetings, which may or may not include a formal officer of Robert's Rules.
11. The Board along with the Chief Executive Officer may monitor and discuss the Board's process and performance at least once a year. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board/CEO Linkage categories.
12. Although the Board can change its governing policies at any time, it will conscientiously observe those currently in effect.
13. All governing policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.

POLICY TYPE GOVERNANCE PROCESS

POLICY 2.2 BOARD JOB DESCRIPTION

The job of the Board is to represent the Pharmacy Compounding Foundation and its community in determining and demanding appropriate organizational performance.

Accordingly:

1. The Board is the link between the organization, the pharmacy community, and the public. The Board must identify with and represent the professional interests of pharmacy compounding community and the public which they serve.
2. Board members will establish personal advisory or working groups drawn from their constituency in the Pharmacy Compounding Foundation.
3. The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision:
 - a. **ENDS:** Organizational products, effects, benefits, outcomes, recipients and their relative worth (what good for which recipients at what cost).
 - b. **EXECUTIVE LIMITATIONS:** Constraints on executive authority, which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. **GOVERNANCE PROCESS:** Specification of how the Board conceives, carries out, and monitors its own tasks.
 - d. **BOARD/CEO LINKAGE:** How power is delegated and its proper use monitored; the Chief Executive Officer-role, authority and accountability.
4. The Board will assure successful Chief Executive Officer-performance on Ends and Executive Limitations.
5. The Board shall make expeditious and final determinations about research and educational activities presented to the Board by staff, Board members, or any other person or organization that raises an issue to our attention seeking assistance of the Pharmacy Compounding Foundation and its Board of Directors.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.3 AGENDA PLANNING

To fulfill its role, the Board will follow an annual work plan that:

- completes a re-exploration of Ends policies annually and,
- continually improves Board performance through Board education, enriched input and deliberation.

Accordingly:

1. The cycle will conclude each year after the end of the Fall Meeting so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of short-term Ends.
2. The cycle will start with the Board's development of its work plan for the next year.
3. The President, in collaboration with the President-elect will, at the commencement of the Board's annual planning cycle, prepare and present for the Board's consideration a tentative work plan for the following year's meetings at least 30 days prior to the Fall meeting.
4. The President will determine the agenda for any particular meeting, although Board members and Chief Executive Officer-are encouraged to recommend any relative matters for Board consideration. Any Board member desiring to recommend any matter for Board discussion will advise the President of such matter at least fifteen days prior to the scheduled Board meeting.
5. The meeting agenda and packet are to be received by Board members at least seven (7) days prior to the scheduled Board meeting.
6. By an affirmative vote of those present at a meeting, additional matters may be added to the agenda of any regular Board meeting.
7. Throughout the year, the Board may request a report from the Chief Executive Officer-as to the status of any motion or directive agreed upon by the Board.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.4 PRESIDENT OF THE BOARD'S ROLE

The President, serving as the Foundation's Chief Governance Officer (CGO), assures the integrity of the Board's process and represents the Board to outside parties.

Accordingly:

1. The job result of the President is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization and Robert's Rules of Order.
2. The President is responsible for assuring that Board discussion content will be only those issues that, according to Board policy, clearly belong to the Board to decide, consider or to monitor.
3. The President will assure that all deliberation will be fair, open and thorough, but also timely, orderly and kept to the point.
4. The President is authorized to make decisions consistent with the Board's policies on Governance Process and Board/CEO Linkage, with the exception of:
 - a. employment/termination of the management services agreement, or
 - b. instances where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.
5. The President is empowered to chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
6. The President has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas.
7. The President may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him. The President may delegate this authority to represent the Board to outside parties, but remains accountable for its use.



8. The President may appoint, as per Board Committee Principles, members and a chairperson to each Board committee, unless specified otherwise by Board policy or in the bylaws.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.5 BOARD MEMBERS' CODE OF CONDUCT

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Accordingly:

1. Board members must be loyal to the interests of the Foundation. This loyalty supersedes the personal interest of any Board member acting as a consumer of the organization's services.
2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
3. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to inside information.
4. When the Board is to decide upon an issue about which a Board member has an unavoidable conflict of interest, that Board member may be required to absent herself or himself without comment from not only the vote but also from the deliberation, if deemed appropriate by the Board.
5. Board members must not use their positions to obtain employment within the Alliance for Pharmacy Compounding for themselves, family members or close associates. Should a Board member desire staff employment, he or she must first resign.
6. Board members may not attempt to exercise individual authority over the organization.
7. Board members' interaction with the Chief Executive Officer-must recognize the lack of authority vested in individuals except when explicitly Board authorized.
8. Board members' interaction with public, media or other entities must recognize this limitation and that Board members are not to speak for the Chief Executive Officer, or to speak for the Board, except to repeat explicitly stated Board decisions.



9. Except for participation in Board deliberation about whether the Chief Executive Officer has complied with Board policies, Board members will not publicly express individual judgments of performance of the Chief Executive Officer.
10. Board members will comply with the Confidentiality Policy and respect the confidentiality appropriate to issues of a sensitive nature.
11. A Board member aware of credible information that suggests that a Board policy has been violated by the Board or the Chief Executive Officer has an affirmative obligation to bring the concern to the Board's agenda for monitoring.
12. Board members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.

POLICY TYPE GOVERNANCE PROCESS

POLICY 2.6 DIRECTORS' INDIVIDUAL RESPONSIBILITIES

The leadership success of the Board is a direct result of the individual and collective participation of its members. A Board member should anticipate contributing a sufficient amount of time each month to these responsibilities:

1. **Removal** - As Board contemplation, deliberation and decision-making are processes that require wholeness, collaboration and active participation, any Board members that do not attend and actively participate in 2/3 (two-thirds) of all Board meetings may be removed from the Board as described within the Pharmacy Compounding Foundation Bylaws.
2. **Preparation and Participation** - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, values, skills and expertise to the Board's efforts to fulfill its responsibilities.
3. **Members as Individuals** - The Chief Executive Officer-is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the Chief Executive Officer-and individual members of the Board, including the Board chair, is collegial, not hierarchical.
4. **Voluntarism** - As the functioning and success of the organization depend largely on the involvement and dedication of volunteers, all Board members are strongly encouraged, but are not required, to serve as volunteers on Board committees. In view of the Chief Executive Officer's responsibility for operational activities and results, members of the Board, who choose, as individuals, to act as Board committee volunteers are subject to the direct supervision of the Chief Executive Officer or the responsible designee.
5. **Members in Good Standing** - As Board members are trustees representing the organization within its professional community, Board members are expected to remain in good standing within the pharmacy community.
6. **Meeting Attendance** - Each Board Member is expected to attend and to fully participate in the annual membership meeting and any other regularly scheduled meetings of the Foundation as defined in the Bylaws.

POLICY TYPE GOVERNANCE PROCESS

POLICY 2.7 BOARD COMMITTEE PRINCIPLES

Board committees, when used, have one essential role—to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from the Board to Chief Executive Officer.

Accordingly:

1. Board committees may be established to help the Board do its job.
2. Board committees most commonly assist the Board by preparing policy alternatives and implications for Board deliberation, or by performing specific monitoring functions.
3. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated, (in the “Board Committee Structure” policy) in order not to conflict with authority delegated to the Chief Executive Officer.
4. Board committee members may consist of Board members, Alliance for Pharmacy Compounding members, the Alliance for Pharmacy Compounding community or any individual qualified to serve on the specific committee.
5. Because the Chief Executive Officer works for the full Board, he or she will not be expected to obtain approval of a Board committee before an executive action.
6. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the Chief Executive Officer.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.8 COST OF GOVERNANCE

Because poor governance costs more than learning to govern well, the Board will invest in increasing Board skills.

Accordingly:

1. Board skills, methods and supports will be sufficient to assure governing with excellence.
2. Training and retraining will be used whenever needed to orient new members and candidates for Board membership, as well as to maintain and increase existing Board member skills and understandings.
3. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to stakeholder viewpoints and values.
4. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
5. The Board shall review internal financial reports and also engage an external certified public accountant to conduct a financial review or audit on a regularly scheduled basis as outlined in Bylaws Article VIII, 2.
6. The Board may elect to conduct surveys, focus groups and opinion analyses to gather information necessary to achieve its responsibilities.



POLICY TYPE GOVERNANCE PROCESS

POLICY 2.9 BOARD COMMITTEE STRUCTURE

A committee is a Board Committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The Chief Executive Officer-or his/her designate will serve as a non-voting member of each committee.

1. The structure and function of standing committees shall be established in accordance with Pharmacy Compounding Foundation Bylaws.
2. Appropriate additional committees will be formed and defined as far as structure and function by Board vote.
3. Committees shall be reviewed by the President annually and posted.



POLICY TYPE EXECUTIVE LIMITATIONS

POLICY 3.0 TREATMENT OF PHARMACISTS, CONSUMERS AND OTHERS

With respect to interactions the Pharmacy Compounding Foundation deals with on a professional level, the Chief Executive Officer shall not cause or allow conditions, procedures or decisions which are unsafe, undignified, unresponsive, untimely, or unnecessarily intrusive.

Accordingly, the Chief Executive Officer shall not cause and will take all reasonable steps to avoid or prevent:

1. Using methods of collecting, reviewing, transmitting or storing personally identifiable information that fail to protect against improper access to that information.
2. Operating without communicating a clear understanding of what may be expected from the services offered.



POLICY TYPE EXECUTIVE LIMITATIONS

POLICY 3.1 BUDGET EXECUTION

Financial planning for any fiscal year or the remaining portion of any fiscal year may not deviate materially from the Board's Ends priorities or risk fiscal jeopardy.

Accordingly, the Chief Executive Officer shall not allow budgeting which:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Condition and Activities" Board policy (3.2).
2. Includes unreasonable financial goals or expenses that are not in line with historical data and/or are not approved by the Foundation Board.
3. Omits credible projection of revenues and expenses, and disclosure of planning assumptions.
4. Fails to maintain an emergency reserve account of operating expenses of at least six (6) months without specific Board approval.
5. Fails to provide for Board activities as set forth in the Cost of Governance policy.



POLICY TYPE EXECUTIVE LIMITATIONS

POLICY 3.2 FINANCIAL CONDITION AND ACTIVITIES

With respect to financial condition and activities, the Chief Executive Officer shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Accordingly, the Chief Executive Officer shall not:

1. Expend more funds than have been received in the fiscal year to date unless specifically approved by the Board of Directors.
2. Borrow funds (with exception of credit cards used for normal business purposes, and paid in full each month).
3. Use company credit cards or resources for personal gain.
4. Fail to pay debts in a timely manner and shall take all reasonable steps to avoid late fees and charges.
5. Fail to report expenses for reimbursement for approval by at least one of the following: the President, the President-elect or the Treasurer within 30 days.
6. Alter investment accounts in any manner without prior approval of the Board by quorum.
7. Fail to inform Board of investment status and recommendation on a quarterly basis.
8. Execute a check or purchase commitment of greater than \$10,000.00 unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
9. Allow tax payments or other ordered payments or filings to be overdue or inaccurately filed.
10. Acquire, encumber or dispose of real property.
11. Fail to reasonably pursue receivables or other debt owed the Foundation.



12. Obtain revenues that are not, in fact or appearance, legal and consistent with the mission and values of the Foundation.
13. Use restricted contributions for purposes other than stated by the contributor.
14. Allow the Foundation to have secret funds or any unaudited transactions or loans.
15. Pledge any of the assets or future assets of the Foundation as security within any unless approved by the Board of Directors.
16. Sign checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Foundation unless the Chief Executive Officer has received approval from one of the three (3) officers: President, President-elect, or Treasurer.
17. Authorize expenditures, enter into contracts and utilize resources of the Foundation as necessary to achieve the goals and policies established by the Board of Directors unless the Foundation Secretary or Chief Executive Officer or such other person is authorized by the Board of Directors.



POLICY TYPE EXECUTIVE LIMITATIONS

POLICY 3.3 POLICY TITLE: ASSET PROTECTION

The Chief Executive Officer shall not allow the Foundation's assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the Chief Executive Officer:

1. Shall not allow the organization to be uninsured against liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
2. Shall not operate without employing risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.
3. Shall take all reasonable steps to protect subject facilities and equipment from improper wear and tear or insufficient maintenance.
4. Shall not allow any purchase more than \$500, without having obtained comparative prices and quality.
5. Shall not allow intellectual property, information and files to be exposed to loss, improper access or significant damage, or operate without maintaining documents and records in accordance with a Records Retention Schedule approved by legal counsel.
6. Shall not receive, process or disburse funds under controls insufficient to meet the Board-appointed standard accounting practices.
7. Shall not invest or hold operating capital in insecure instruments, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
8. Shall take all reasonable steps to avoid endangering the organization's public image or credibility, or its ability to accomplish its Ends.
9. Shall not compromise the independence of the Board's auditor or other external monitors or advisors.
10. Shall not engage on a personal basis parties already chosen by the Board as consultants or advisors.



11. Shall not change the Foundation's name or substantially alter its identity.
12. Shall not deny reasonable Board requests for internal reports pertaining to compliance with board policies.



POLICY TYPE EXECUTIVE LIMITATIONS

POLICY 3.4 COMMUNICATION AND SUPPORT TO THE BOARD

The Chief Executive Officer shall not cause or allow the Board or staff to be uninformed or unsupported in its work.

Accordingly, Chief Executive Officer shall not:

1. Neglect to submit monitoring reports requested by the Board (Policy 4.2 – Accountability of the CEO), including interpretations of Board policies being monitored and relevant data, in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
2. Let the Board be without decision information it periodically requests within a reasonable time frame unless the Board deems it an emergency and needs it within forty-eight (48) hours, or unaware of relevant trends or incidental information, including but not limited to anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal changes. Notification of planned internal changes is to be provided in advance within a reasonable time frame unless the Board deems it an emergency and needs it within forty-eight (48) hours, when feasible.
3. Fail to inform the Board if, in the Chief Executive Officer's opinion, the Board is not in compliance with its own policies on Governance Process and Board/CEO Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Chief Executive Officer.
4. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation and incidental.
5. Allow the Board to be without support, including mechanisms for official Board, officer or committee communications.
6. Fail to deal with the Board as a whole except when:
 - a. fulfilling individual requests for information or
 - b. responding to officers or committees duly charged by the Board.



7. Fail to report in a timely manner an actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board.



POLICY TYPE BOARD/CEO LINKAGE

POLICY 4.0 GOVERNANCE - MANAGEMENT CONNECTION

The Board's primary connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer.



POLICY TYPE BOARD/CEO LINKAGE

POLICY 4.1 UNITY OF CONTROL

Only officially passed motions of the Board in absence of Board established policy or procedure are binding on the Chief Executive Officer.

Accordingly:

1. Decisions or instructions of individual Board members, officers or committees are not binding on the Chief Executive Officer-except in rare instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board members or committees requesting information or assistance without Board authorization, the Chief Executive Officer-can refuse such requests that require, in the Chief Executive Officer's opinion, a material amount of staff time or funds or are disruptive. In the event of such a refusal, the Chief Executive Officer-will provide a written explanation or equivalent to the requesting Board member or committee. The committee or Board member may then refer such requests to the full Board for consideration.

POLICY TYPE BOARD/CEO LINKAGE

POLICY 4.2 ACCOUNTABILITY OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer-is the Board’s primary link to operational achievement and conduct, so that all authority and accountability of assigned staff, as far as the Board is concerned, is considered the authority and accountability of the Chief Executive Officer.

Accordingly, in absence of Board established policy or procedure:

1. The Board will not give instructions to persons who report directly or indirectly to the Chief Executive Officer other than the employee the CEO designates as the PCF administrator.
2. The Chief Executive Officer must be included in or updated on all communications between-the Foundation Board and the-Alliance for Pharmacy Compounding (APC) Board.
3. The Chief Executive Officer shall demonstrate accountability to the Board of Directors by documenting annually, to the Board’s satisfaction – either in writing, by verbal report, or allowing board inspection of records – the following:
 - a. Adherence to the Board’s Executive Limitations Policies;
 - b. Adherence to the terms of the management agreement; and
 - c. Progress made toward achievement of the Board-approved Strategic ENDS.

In every case, the standard for compliance is “reasonableness.” The Board shall use a “reasonable person” test to evaluate whether actions taken by the Chief Executive Officer or interpretations by the Chief Executive Officer of Board policies comply with Board policies. The “reasonable person” test asks whether what the Chief Executive Officer-did was what a reasonably prudent executive would do in that context. The action or interpretation being evaluated may satisfy the reasonable person test even if those choices may not be the choices the Board or its members may have made. The Board is the final judge of reasonableness.

POLICY TYPE BOARD/CEO LINKAGE

POLICY 4.3 DELEGATION TO THE CHIEF EXECUTIVE OFFICER

The Board will direct the Chief Executive Officer-through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the Chief Executive Officer-to use any reasonable interpretation of these policies.

Accordingly:

1. The Board will develop and maintain Ends policies instructing the Chief Executive Officer to achieve certain results. These policies will be developed systematically from the broadest, most general level to more defined levels. All issues that are not Ends issues as defined here are Means issues.
2. The Board will develop and maintain Executive Limitations policies that limit the latitude the Chief Executive Officer-may exercise in choosing the organizational means. These limiting policies will describe those actions, practices, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. These policies will be developed systematically from the broadest, most general level to more defined levels. The Board will not prescribe operational means delegated to the Chief Executive Officer.
3. An Ends or Executive Limitations policy at a given level does not limit the scope of any preceding level.
4. As long as the Chief Executive Officer-uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the Chief Executive Officer-is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
5. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and Chief Executive Officer-domains. By doing so, the Board changes the latitude of choice given to the Chief Executive Officer. However, as long as any particular delegation is in place, the Board will respect and support decisions made by the Chief Executive Officer-that are compliant with Board policy, as reasonably interpreted.



POLICY TYPE FUND MANAGEMENT

POLICY 5.0 CONTRIBUTION AND DONATIONS

The Pharmacy Compounding Foundation may institute programs to solicit contributions and donations from consumers, pharmacists or others interested in supporting the organization's Ends. While those donations are traditionally in the form of cash through checks, credit or debit cards, occasionally the Foundation may be given non-cash assets including stocks, bonds, annuities, real estate, art, or other goods. The management of non-cash assets represents additional costs to the Foundation and therefore their acceptance and/or liquidation are a critical component of the organization's giving policies.

The Pharmacy Compounding Foundation Board may:

1. Institute a policy that permits the liquidation of any non-cash asset donation within a specified period of time without requiring the permission of the contributor or donor.
2. Decline or refuse to accept any contribution, either cash or non-cash.
3. Return any contribution or donation, either cash or non-cash asset, to a contributor or donor at any time less any investment costs or expenses incurred in transferring the asset. The Pharmacy Compounding Foundation is not obligated to provide any additional funds (e.g., interest, dividends, value increase) over or above the original amount contributed or donated.



POLICY TYPE POLICY REVIEW

POLICY 6.0 GOVERNING POLICY REVIEW

These Pharmacy Compounding Foundation Governance Policies will be reviewed at least every twelve (12) months by a committee appointed by the President and reported to the Board.

POLICY TYPE BOARD MEMBER RESPONSIBILITIES

POLICY 7.0 CONFLICT OF INTEREST

If at any time a matter comes before the PCF Board of Directors in which a Director, the Chief Executive Officer, or a member of their families has either a direct or indirect financial interest, or would derive personal financial gain either directly or indirectly from favorable action on said matter, said person(s) shall make known his/her conflict or possible conflict of interest.

Where a possible conflict of interest exists, the Board can decide whether or not to allow the person(s) involved to be included in any review, discussion, deliberations, or vote on said matter or to request that the individual excuse himself/herself and refrain from any review, discussion, deliberations, or vote on said matter. The name(s) of said person(s) will be recorded in the minutes as an abstention.

POLICY TYPE BOARD MEMBER RESPONSIBILITIES

POLICY 8.0 Anti-Trust Compliance

Certain topics are not proper subjects for discussion and consideration at any Pharmacy Compounding Foundation meeting of board of directors, officers, or committees, whether formal or informal. It is appropriate to discuss common problems and areas of interest; however, it must be kept in mind that the directors, officers, and committee members are competitors and any action taken to eliminate, restrict, or govern competition may violate antitrust laws. If there is any discussion at Pharmacy Compounding Foundation meetings relating to significant factors of competition among the directors, officers, and committee members, an inference may be raised that such a discussion among competitors is for the purpose of agreeing upon a common cause of business conduct. Should directors, officers, or committee members be involved in any violation of federal/state antitrust laws, such violation can result in civil and criminal penalties against individuals or the organization. Accordingly, it is essential that Pharmacy Compounding Foundation meetings shall not become a forum for discussions which might lead to an understanding or agreement, expressed or implied, with respect to any essential element of competition. In particular, discussions regarding fees, conditions, terms, and prices of services; division of markets; and refusal to deal with a particular supplier or class of suppliers shall not be permitted. Agreements, whether formal or informal, among competitors relating to any of these subjects are *per se* violations of the antitrust laws.

POLICY TYPE BOARD MEMBER RESPONSIBILITIES

POLICY 9.0 Duty of Commitment

As a member of the Pharmacy Compounding Foundation Board of Directors I understand that I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals. I believe in the mission and vision of the organization, and I will act responsibly and prudently as its steward. My behavior as a board member will be consistent with the mission and vision of the organization.

As part of my responsibilities as a board member I will:

1. Interpret the organization's work and values to the profession, act in the best interests in representing the organization, and act as an ambassador.
2. Attend at least two-thirds of the board meetings and committees I am on. Additionally, RSVP my attendance for board meetings or board committee meetings at least one day in advance to either the Pharmacy Compounding Foundation Board President or the Pharmacy Compounding Foundation Administrator.
3. Make a personal financial contribution each year at a level that is meaningful to me and actively participate in fundraising activities.
4. Excuse myself from discussions and votes where I have a conflict of interest.
5. Sign and adhere to a confidentiality policy.
6. Stay informed about the current activities and issues at Pharmacy Compounding Foundation by asking questions and requesting information.
7. Participate in and take responsibility for making decisions on issues, policies and other board matters.
8. Work in good faith with other board members as partners towards achievement of our goals.
9. Serve on a minimum of one Board committee.

In turn, the Pharmacy Compounding Foundation will be responsible to me in the following ways:

1. I will be sent an agenda and materials at least seven days prior to the board meeting.
2. An orientation will be provided for me so that I can witness and participate, as appropriate, in my service as a board member and I will be offered opportunities for professional development as a board member. I will also be able to discuss with the



board president and Chief Executive Officer the internal programs, goals, activities, and status; additionally, I can request such opportunities.

3. The organization will help me perform my duties by keeping me informed about issues addressing financial, economic and other challenges for the Pharmacy Compounding Foundation.
4. Board members and staff will respond in a straightforward fashion to questions that I feel are necessary to carry out my fiscal, legal and moral responsibilities to this organization. Board members and staff will work in good faith with me towards achievement of our goals.

If the organization does not fulfill its commitments to me, I can call on the Board President and Executive Director to discuss the organization's responsibilities with me.

POLICY TYPE BOARD MEMBER RESPONSIBILITIES

POLICY 10.0 Confidentiality Policy

It is the policy of the Pharmacy Compounding Foundation (“PCF”) that its board members shall not disclose confidential information belonging to or obtained through their affiliation with PCF to any person, including their relatives, friends, and business and professional associates, unless authorized by PCF. This policy is not intended to prevent disclosure where required by law.

Confidentiality is ensuring that personal, private, sensitive, and privileged information is accessible only to those authorized to access it. By necessity, confidential information is disclosed during execution of board members’ duties. Some confidential information is necessary to execute such duties; other information may be shared within the development of a trusting relationship. Unauthorized disclosure of confidential information may impair PCF’s ability to carry out its work and further its interests; may result in legal, financial, reputational, competitive, or other harm to PCF and/or its board members; and may damage board members’ relationships with PCF and/or other board members.

Board members shall maintain confidential information, whether oral, written, or electronic, in strictest confidence and its use shall be for the sole and exclusive benefit of PCF. Board members shall make every reasonable effort to restrict access to confidential information and shall use care to avoid its unauthorized or inadvertent disclosure. Examples of inadvertent disclosure include leaving confidential information contained in documents or on computer screens in plain view, or discussing confidential information in settings where that information may be overheard by individuals who are not authorized to hear it. Board members shall demonstrate professionalism and good judgment with respect to confidential information. Board members are responsible for compliance with all Federal and state laws pertaining to confidentiality. Disclosure of confidential information could result in legal liability. Unauthorized disclosure of confidential information may result in PCF’s refusal to defend, indemnify, insure, or otherwise support a board member in the event of legal action.

At the end of a board member’s term, he or she shall destroy all documents and materials containing confidential information. Failure to adhere to this policy may result in discipline, up to and including separation of employment or affiliation with PCF. Board members shall maintain confidentiality after their terms end.

Certification: I have read the Pharmacy Compounding Foundation’s policy on confidentiality presented above. I agree to abide by the requirements of the policy and inform the Pharmacy Compounding Foundation President, Executive Committee and/or Chief Executive Officer immediately if I believe any violation (unintentional or otherwise) of the policy has occurred. I



understand that violation of this policy may lead to disciplinary action, up to and including termination of my service with the Pharmacy Compounding Foundation.