



**X12 Corporate Administrative  
Policy and Procedure**

**CAP01 – X12 Bylaws**

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# 1 Introduction/Authority

X12's governance shall consist of an approved set of policies and procedures that define clear expectations, conditions, and requirements for the handling of organizational decisions, situations, and activities. The terms "X12", "the organization", and "the corporation" shall all be recognized as synonyms of X12 Incorporated in all X12 governance.

The X12 Board of Directors (Board) is responsible for these Bylaws, which supplement the X12 Articles of Incorporation.

The policies and procedures herein supersede all other policies and procedures of the corporation excepting those contained in the X12 Articles of Incorporation. X12 members agree to adhere to X12's policies and procedures as a condition of membership. Non-member participants afforded specific collaboration privileges agree to adhere to X12's policies and procedures as a condition of those privileges. Any party may submit a revision suggestion at [x12.org/maintenance-requests](http://x12.org/maintenance-requests).

These Bylaws may be supplemented by other corporate policies that do not duplicate, supersede, contradict, countermand, or overrule these Bylaws. X12 committees are permitted to establish supplemental rules reflecting more detailed or more restrictive policies that apply only to that committee. Such supplemental rules shall not duplicate, supersede, contradict, countermand, or overrule the established corporate policies. No accommodation is intended or provided to allow a committee or subordinate rule to override a higher-level policy or procedure with a more permissive requirement. In the case of any inconsistency between corporate, committee, and subordinate group rules, the higher-level policy shall always prevail.

## 2 Overarching Policy

The corporation will develop standards, support standards development, and support standards implementers through open communication, active pursuit of balanced representation, and continuous consensus building. All corporate activities shall be conducted in accordance with applicable federal law, including antitrust law.

Corporate matters will be conducted according to these Bylaws, corporate policies and procedures, and when applicable, American National Standards Institute (ANSI) requirements for Accredited Standards Development Organizations. The decisions of the corporation will not intentionally unfairly favor the proprietary characteristics, interests, specific products or systems of one organization or company over another. The work products of the corporation will not intentionally unfairly favor the proprietary characteristics, interests, specific products or systems of one organization or company over another.

## 3 Structure

X12 operates in a hierarchical structure, with the Board providing organizational

oversight for all activities undertaken within the corporation. The Board defined various groups to operate in its hierarchical structure including committees, subcommittees, action groups, task groups, and workgroups. No other group shall be established, formed, or created within X12. Excepting the Board, every group operating within X12 is established under, and reports to, one and only one parent group. Each X12 group operates based on a specific statement that defines the objectives and deliverables of the group. X12 groups use various terms to describe this statement of work, including scope statement, purpose statement, purpose and scope statement, mission statement, and statement of work. Within X12 a group's officers are defined as either the chair, the chair and vice-chair, or the co-chairs of the group. Officers are either elected or appointed.

The Board shall establish committees in accordance with *Section 13 Committees* below. Each committee shall operate within the boundaries of a mission statement and standing committees shall function based on an approved Operating Manual.

Committee chairs may establish committee task groups and subcommittees as necessary to accomplish the work of the committee. Each of these groups shall operate under the authority of the parent committee and within the boundaries of a statement of work. Committee task groups shall function based on a Charter approved by the parent committee's oversight group. Standing subcommittees shall function based on a Constitution approved by the parent committee's oversight group.

Subcommittee chairs may establish subordinate groups as necessary to accomplish the work of the subcommittee. These groups shall operate under the authority of the parent subcommittee. Subcommittee subordinate groups may be known by various names as defined in the parent committee's governance, including task groups, work groups, and action groups. Each of these groups shall operate within the boundaries of an approved statement of work. As permitted by the parent subcommittee's policies, action, task, and work groups may establish a group-specific Charter approved by the parent committee's oversight group based on a recommendation from the parent subcommittee.

Subcommittee subordinate groups shall not have the authority to directly establish lower-level groups.

### **Group Authority**

Each group established within X12 is identified as either an authority group or an advisory group. The level of authority is determined based on the group's type and whether the group offers recommendations to its parent group or makes final decisions related to its area of responsibility.

Authority is never delegated implicitly. Upon establishment, the establishing group chair shall explicitly delegate or not delegate authority to act on behalf of the parent group in specific matters. If authority is delegated, actions by the subordinate group carry the

authority of the parent group and the group is categorized as an authority group. If authority is not delegated, the subordinate group is categorized as an advisory group. An advisory group is explicitly limited to providing findings, recommendations, options, or analysis for consideration by the parent group.

### **Group Type**

Each group established within X12 is identified as either a standing group or an ad hoc group. The type is determined based on the group's statement of work and expected longevity.

An ad hoc group is an advisory group that completes a specific task or activity on behalf of a parent group. An X12 ad hoc group is established for a defined period based on a specific statement of work and is not intended to operate long-term. An X12 ad hoc group does not establish separate policies or procedures but operates under the established governance of the parent group.

A standing group is an action or advisory group established with responsibility for a defined body of work or specific activities. An X12 standing group is intended to operate long-term and must operate under a specific statement of work. An X12 standing group may define group-specific policies and procedures if such governance is permitted under the policies of the parent group.

## **4 Members**

X12 is a member-based organization and members are critical to organizational success. Detailed policies and procedures related to membership options, the granting and terminating of membership, and member responsibilities and privileges are set forth in a separate document, ***CAP04 - X12 Membership***.

### **4.1 Member Tenets**

All members in a membership category shall be equal. Each member shall have equal rights with all other members in the membership category. No one member's vote counts more than any other member's vote.

### **4.2 Member Rights**

The following rights apply to all members, except as noted.

- Each member is eligible to vote in a corporate ballot, except as restricted under certain membership categories in ***CAP04 - X12 Membership***.
- Each member with voting privileges is entitled to have their primary representative exercise one and only one vote in any corporate ballot.
- Each member is entitled to declare stakeholder interest in any X12 committee, except as restricted under certain membership categories in ***CAP04 - X12 Membership***.
- Each member who has been granted stakeholder status in an X12 committee based on that committee's policies, shall be eligible to vote in

the committee's ballot, except as restricted under certain membership categories in **CAP04 - X12 Membership**.

- Each committee stakeholder with voting privileges is entitled to have their primary representative exercise one and only one vote in any committee ballot.
- Each member who has been granted constituent status in an X12 group based on that group's policies, shall be eligible to vote in an associated ballot, except as restricted under certain membership categories in **CAP04 - X12 Membership**.
- Each constituent with voting privileges is entitled to have their designated representative exercise one and only one vote in any group ballot.
- Each member is entitled to any authorized member discount, except as restricted under certain membership categories as defined in **CAP04 - X12 Membership**.
- In accordance with **CAP04 - X12 Membership**, each member may designate representatives to participate in meetings or collaboration per the provisions of the specific membership category. Such participation may be subject to more restrictive limitations in committee policies and procedures to the extent that such limitations are consistent with these Bylaws and **CAP04 - X12 Membership**.
- Member representatives generally have the right to hold office, offer motions and nominations, speak in debate, and vote when eligible. However, these rights may be subject to more restrictive limitations herein, in **CAP04 - X12 Membership**, or in committee policies and procedures to the extent that such committee limitations are consistent with these Bylaws and **CAP04 - X12 Membership**.

## 4.3 Member Responsibilities

The following responsibilities apply to all members, except as noted below.

- Each member shall name a primary representative who shall ensure that all representatives of the member respect and adhere to all organizational policies and procedures.
- Based on membership category, a member may be entitled to name other representatives, each of whom shall respect and adhere to all organizational policies and procedures.
- Each member and member representative shall diligently protect X12 draft, final and copyrighted works.
- Silence gives consent. A member whose representative does not register a timely concern related to an administrative, technical or other organizational matter is considered in agreement on the matter or acquiescing to the will of the majority.
- Each member's representatives shall contribute as informed participants in ballots, collaborations, or surveys in accordance with organizational policies and procedures or shall abstain from participation in such matters.



## 4.4 Eligibility for Membership

Application for membership shall be open to all organizations or persons who have a direct and material interest in the corporation's activities, share the goals of the corporation, and support the purpose and activities of the corporation. Membership categories defined in **CAP04 - X12 Membership** accommodate various types and levels of participation.

Membership will not be conditional upon membership in any other organization or unreasonably restricted based on technical qualifications or other such requirements. The corporation will strive for a balanced membership to ensure that corporate activities represent multiple interests.

## 4.5 Application for Membership

An organization or individual who is eligible for membership may become a member by submitting the appropriate application form and paying the applicable dues.

Individuals employed by organizations or who own businesses that have employees do not qualify for individual membership; however, the Board may rarely approve a one-time waiver of this restriction based on the specific circumstances.

When applying for membership, the applicant shall declare an interest category from among a list of recognized interest categories. This interest category designation may be used to demonstrate a reasonable balance of interests in the membership.

## 4.6 Membership Dues and Fees

The Board shall establish annual membership dues for all membership categories. The Board may establish separate meeting or participation fees. In addition, the Board may from time to time determine that corporate matters of high priority exist which require special funding. In those situations, the Board shall have the power to assess special fees for members, based on its judgment of the matters involved and the interests of the members.

To prevent undue participation barriers, the Board will ensure that dues and fees are not unfairly prohibitive to any interested or materially affected party.

## 4.7 Membership Delinquency

Any member with delinquent dues will be notified of such delinquency and will immediately forfeit all rights and privileges of membership. The Board may establish a reasonable grace period during which all or some membership

privileges shall continue in specific circumstances.

## 4.8 Hardship Exceptions

The Board has the right to adjust dues or fees as a one-time exception following favorable review of a written request to the Executive Director. Such a request must contain a statement of the claimed hardship and one or more compelling reasons for the exception. An exception shall be based on the requester's history of active participation in X12 collaborations and shall not be granted for the sole purpose of continuation of member discounts. Any exception granted shall be constrained to a specific time period, a specific renewal period, or specific fees. An exception shall not be used for the avoidance of costs on an ongoing basis.

## 4.9 Withdrawal or Termination of Membership

Any member may withdraw from the corporation by giving thirty (30) days written notice of such intention to the Executive Director. The Board may approve termination of a membership with cause at any time. The terminated member may appeal the termination in accordance with **CAP04 - X12 Membership**.

## 4.10 Refund of Membership Dues

Neither the full assessment, nor any portion of membership dues will be refunded to any member who withdraws or whose membership terminates for any reason.

# 5 Authority

The following governance shall apply to all groups established under the auspices of the Corporation.

## 5.1 Parliamentary Authority

The corporation shall establish and maintain corporate rules of order governing all parliamentary procedures within these Bylaws and in various other corporate policies and procedures. Corporate policies and procedures are identified with the prefix "CAP" and a unique number. Corporate rules shall be recognized equally regardless of where they are recorded except that requirements of the Bylaws shall supersede any other requirement in the case of conflict between corporate rules.

Committees may establish and maintain supplemental rules of order governing matters specific to the committee. Committee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate policies or procedures. No accommodation is intended or provided to allow a committee to override a corporate policy or procedure with a more

permissive committee rule. Committee policies and procedures shall be identified with a designated prefix and a unique number. Committee rules shall be recognized equally regardless of where they are recorded, except that the requirements of a Committee's Operating Manual shall supersede any other committee requirement in case of conflict. Corporate rules shall supersede committee rules in case of conflict.

Subcommittees may, at the discretion of their establishing committee, establish and maintain supplemental rules of order governing matters specific to the subcommittee. In such cases, the subcommittee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate corporate or committee policies or procedures. No accommodation is intended or provided to allow a subcommittee to override a corporate or committee policy or procedure with a more permissive subcommittee rule. Subcommittee rules shall be subject to approval by the establishing committee. Corporate and Committee rules of order shall supersede subcommittee rules in case of conflict.

Subordinate groups may, at the discretion of their parent group, establish and maintain supplemental rules of order governing matters specific to the subordinate group. Such rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate, committee, or subcommittee policies or procedures. No accommodation is intended or provided to allow a subordinate group to override a corporate, committee, or subcommittee policy or procedure with a more permissive committee rule.

For procedural matters not explicitly defined within the established rules of order, an applicable ruling in the current edition of Robert's Rules of Order will govern.

## **5.2 Administrative Authority**

The corporation shall establish and maintain standing rules governing administrative activities, which includes all activities not related to parliamentary procedures, within these Bylaws and in various other corporate policies and procedures. Corporate policies and procedures are identified with the prefix "CAP" and a unique number. Corporate standing rules shall be recognized equally regardless of where they are recorded except that requirements of the Bylaws shall supersede any other requirement in the case of conflict between corporate rules.

Committees may establish and maintain supplemental standing rules governing matters specific to the committee. Committee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate policies or procedures. No accommodation is intended or provided to allow a committee to override a corporate policy or procedure with a more

permissive committee rule. Committee policies and procedures shall be identified with a designated prefix and a unique number. Committee rules shall be recognized equally regardless of where they are recorded, except that the requirements of the Committee's Operating Manual shall supersede any other requirement in case of conflict. Corporate rules shall supersede committee rules in case of conflict.

Subcommittees may, at the discretion of their establishing committee, establish and maintain supplemental standing rules governing matters specific to the subcommittee. In such cases, the subcommittee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate corporate or committee policies or procedures. No accommodation is intended or provided to allow a subcommittee to override a corporate or committee policy or procedure with a more permissive subcommittee rule. Subcommittee rules shall be subject to approval by the establishing committee. Corporate and Committee rules shall supersede subcommittee rules in case of conflict.

Subordinate groups may, at the discretion of their parent group, establish and maintain supplemental standing rules governing matters specific to the subordinate group. Such rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate, committee, or subcommittee policies or procedures. No accommodation is intended or provided to allow a subordinate group to override a corporate, committee, or subcommittee policy or procedure with a more permissive committee rule.

For procedural matters not explicitly defined within the established rules of order, the current edition of Robert's Rules of Order will govern in applicable matters.

### **5.3 Suspension of Rules**

Corporate and committee rules of order and standing rules may rarely be suspended based on an extenuating circumstance. Such rules may be suspended as follows:

- The Board shall have authority to suspend a corporate rule for an explicitly defined period.
- Upon request from a committee chair, the Board shall have authority to suspend a committee rule for an explicitly defined period.

Temporary suspension of subcommittee and subordinate group rules is not permissible.

## **6 Meetings**

A quorum is not required to convene a meeting; however, a quorum must be

established for the group to take any action requiring a vote.

Meetings shall be conducted in person, electronically, or in combination, however there is no intention or expectation that all meetings or any specific meeting will be designated with an electronic participation option. When a meeting is designated with an electronic participation option, a member participating electronically is deemed to be present at the meeting.

All corporate meetings will be open to any member representative. Member representatives shall be entitled to attend corporate meetings as a benefit of membership. At the Board's discretion, non-members may be entitled to attend such meetings.

An X12 committee or other subordinate group is permitted to establish criteria for its stakeholders (a membership level designation) and constituents (an individual designation assigned to a stakeholder's member representatives) and to determine specific privileges and responsibilities for each of those roles. A constituent shall be entitled to attend meetings, participate in discussions and other collaborations, and offer motions and nominations. Depending on membership category and other considerations, a constituent may be entitled to cast a vote in the group's ballots. A member representative of an X12 member who is not eligible for recognition as a constituent in an X12 group may shall be entitled to observe at meetings in certain circumstances as described by an X12's group's governing documents; however, observers shall not be entitled to participate in discussions or other collaborations, offer motions or nominations, or to vote on any matter.

X12 is committed to open, consensus-based standards development. As such, all standing meetings will be open to any party (member or non-member) having a direct and material interest in the activities of the group. Member representatives shall be entitled to attend such meetings as a benefit of membership. Non-members shall be entitled to attend such meetings as an observer based on verification of material interest and payment of the prescribed non-member participation fee. Any session convened at a standing meeting for standards development purposes shall be open to any duly registered individual. Standing meeting sessions convened for purposes other than standards development may or may not be open to any duly registered individual. The Board chair or a committee chair shall approve the scheduling of any session that will not be open to any duly registered individual.

Interim meetings convened for standards development purposes shall be open to any member representative and may be open to other individuals (non-members) having a direct and material interest in the activities of the group. Member representatives shall be entitled to attend such meetings as a benefit of membership. Non-members may attend a specific interim meeting as an observer at the discretion of the overseeing committee chair. If the committee chair approves non-member attendance, non-members shall be entitled to attend based on verification of material interest and payment of the prescribed non-member participation fee. Interim meetings convened for

purposes other than standards development may or may not be open to any member representative or other materially interested individual. The Board chair or a committee chair shall approve the scheduling of any interim meeting with specified attendees.

All meetings or sessions convened under the auspices of the corporation shall be duly announced and shall have formal approved minutes. Minutes shall, at a minimum, note the presiding chair, date, time and purpose of the meeting, the number of participants, whether a quorum was present, the result of any official votes, and any action or follow-up items. The minutes may contain a short synopsis of the discussion topics and the leanings of the group. However, the minutes shall not contain a transcript or summary of what is said at the meeting, a record of who spoke on any specific topic, nor attendance details. The minutes shall be approved by the group that conducted the meeting. The minutes for all corporate, standing, and interim meetings must be submitted to staff within thirty (30) days of the conclusion of the meeting. See **CAP06 – X12 Meetings** for detailed policies and procedures related to corporate, standing, and interim meetings.

## 7 Balloting and Voting

Within X12, balloting is presenting a motion or question to a specific set of X12 members for a vote. Voting is the action taken to exercise a voting privilege.

All balloting and voting within the organization, whether conducted at the corporate, committee, or subordinate group level, will comply with the requirements herein.

- Meeting votes shall be recognized as official when quorum has been confirmed, without regard to whether every eligible voter exercises their vote.
- Electronic ballots shall be recognized as official when the number of votes cast, including abstentions, is equal to quorum.
- Excluding exceptions explicitly defined in corporate, committee, or subordinate group policies, all ballots shall be decided by a simple majority (50% plus 1 vote) of the voters who cast a ballot, excluding abstentions.
- When a higher approval percentage (supermajority) is procedurally required on any matter, the percentage shall be based on the number of voters who cast a ballot, excluding abstentions. A supermajority is calculated as the required percentage plus one vote.
- There shall be no cumulative voting in any ballot.
- The chair authorizing a ballot shall determine the type of ballot and the method of voting unless either attribute is otherwise specified in policy.
- The chair authorizing a ballot shall determine when voting closes.
- Once a voter casts their vote, the voter cannot change their vote or withdraw it from the record.
- After the ballot closes, no additional votes shall be accepted.

### 7.1 Record Date

The eligible voters for each ballot are determined on the record date of the

ballot.

Record dates are set as follows:

- For any ballot conducted as an electronic vote, the record date shall be the date the ballot is electronically issued.
- For subcommittee voting items conducted as a meeting vote, the record date shall be the date on which the vote is conducted unless the subcommittee's eligible voters are determined in advance of the meeting. In such cases, the record date shall be 5 calendar days prior to the date of the meeting for an interim meeting and 10 calendar days prior to the start of the standing meeting for a standing meeting.
- For other ballots conducted as a meeting vote, the record date shall be the date on which the vote is conducted.

## 7.2 Voting Proxies

Proxy voting is expressly prohibited within X12 regardless of the type of ballot or method of voting. Committee, subcommittee, and subordinate group policy shall not override this prohibition.

## 7.3 Quorum

Quorum shall be confirmed prior to execution of the first vote conducted during a meeting and may be re-confirmed during the meeting if the presiding chair has cause to believe that quorum has been lost.

Quorum shall be confirmed at the close of each ballot conducted via electronic vote.

Voting proxies are strictly forbidden within X12 therefore no proxies shall be recognized when calculating quorum.

Twenty percent (20%) of an X12 group's stakeholders, constituents, or eligible voters, instructions for determining eligible voters are set forth below, shall constitute a quorum for any meeting vote or electronic vote, except related to the voting of an advisory task group or an advisory work group. Since an advisory group's decisions are recommendations to another group with the authority to act on the matter, quorum for an advisory task group or work group shall be defined within their governance as either five (5) voters, twenty percent (20%) of the group's stakeholders, constituents, or eligible voters, or fifty percent (50%) of the group's stakeholders, constituents, or eligible voters. No other quorum requirements shall be permitted for advisory task groups or advisory work groups. Abstentions shall count toward quorum. A group's chair shall be considered an eligible voter for quorum purposes, without regard to whether the chair casts a vote in any ballot.

Within X12, quorum is calculated as the required percentage plus 1 vote, not as the required percentage plus one percent. For example, twenty percent is

calculated as 20%+1 vote, not as 21% of the constituents.

Any X12 group without stakeholder or constituent requirements, except for advisory groups covered under the exception set forth above, shall determine the number of eligible voters based on one of the options below and shall document their choice in their governing policies. In the absence of a group-specific policy for a subcommittee or subordinate group, the group shall adhere to option 2 below.

1. The number of eligible voters shall equal the number of committee stakeholders.
2. The number of eligible voters shall equal the number of the establishing committee's stakeholders.
3. The number of eligible voters shall be calculated as 50% of the average attendance at the three most recent similar meetings or sessions, in other words the number of eligible voters for an interim meeting is calculated to be 50% of the average attendance at the three most recent interim meetings and the number of eligible voters for a standing meeting session is calculated to be 50% of the average attendance at the three most recent standing meeting sessions.
4. The number of eligible voters shall be equal the number of subscribers in the group's iMeet workspace.

## **7.4 Ballot Types**

Several types of ballots are conducted within the corporation. Each ballot type shall be conducted in accordance with all applicable organizational policies and procedures. Additional ballot types may be approved by the Board subject to later inclusion in these Bylaws. Additional ballot types shall not be authorized at any other organizational level.

### **7.4.1 Corporate Ballot**

A ballot authorized by the X12 Board. Every X12 member as of the record date is entitled to one and only one vote in a corporate ballot. To ensure every X12 member has an equal opportunity to exercise their vote, all corporate ballots shall be executed as an electronic vote.

### **7.4.2 Stakeholder Ballot**

A ballot authorized by the chair of an X12 group that confers voting rights on recognized stakeholders. Every X12 member recognized as a group stakeholder is entitled to one and only one vote, regardless of the number of individual member representatives participating in the group. The group's constituents are not entitled to vote in their own right.



Stakeholder ballots may be conducted by committees, subcommittees, task groups, work groups, or action groups with established stakeholder recognition criteria. A committee's stakeholder ballots shall be executed as an electronic vote. All other stakeholder ballots may be executed as a meeting vote or as an electronic vote.

### **7.4.3 Constituent Ballot**

A ballot authorized by the chair of an X12 group that confers voting rights on recognized constituents. Every recognized constituent is entitled to one and only one vote regardless of the number of X12 members represented by those constituents.

Constituent ballots may be conducted by committees, subcommittees, task groups, work groups, or action groups with established constituent recognition criteria. A committee's constituent ballots shall be executed as an electronic vote. All other constituent ballots may be executed as a meeting vote or as an electronic vote.

### **7.4.4 Participant Ballot**

A ballot authorized by the chair of an X12 group that confers voting rights on every X12 member representative in attendance at a meeting or registered as a collaborator for a specific matter. Every X12 member representative in attendance at a meeting or registered as a collaborator for a specific matter is entitled to one and only one vote.

Participation ballots may be conducted by task groups, work groups, or action groups without established stakeholder or constituent recognition criteria. Participation ballots are not permitted for corporate, committee, or subcommittee matters. Participant ballots may be executed as an electronic vote or meeting vote; however, the corporate voting tool shall not be used for such electronic votes.

### **7.4.5 Representative Voting Panel Ballot**

A ballot authorized by the chair of an RSC group with a specific voting panel appointed to represent the interests of the materially interested parties. Each voting panel constituent is entitled to one and only one vote in the ballot. A representative voting panel ballot may be executed as a meeting vote or as an electronic vote.

## 7.5 Ballot Categories

Several ballot categories are defined within the corporation. Specific policies and procedures are established for these categories. Additional ballot categories may be approved by the Board subject to later inclusion in these Bylaws. Additional ballot categories shall not be authorized at any other organizational level.

### **Administrative**

An administrative ballot is issued as necessary to move drafts through the defined workflow, for the maintenance of policies, procedures, external code lists, and other matters which are not appropriate for a technical or election ballot.

### **Election**

An election ballot is issued to elect directors, chairs, vice-chairs, or co-chairs in accordance with applicable policy.

### **Technical**

A technical ballot is issued as necessary to approve or revise work products such as standards, technical reports, guidelines, and design rules.

## 7.6 Methods of Voting

Two methods of voting are permissible within the corporation: meeting votes and electronic votes. Each voting method shall be conducted in accordance with all applicable organizational policies and procedures. In the absence of a procedural requirement, the chair authorizing the ballot shall determine the voting method. No other methods of voting shall be authorized at any organizational level.

### 7.6.1 Meeting Voting

A meeting vote is conducted at a standing or interim meeting. Meeting votes are initiated by a motion and a second is required to proceed with discussion or voting. The chair of any X12 group is eligible to offer motions. Election ballots must either be executed in writing via secret ballot or by acclamation if there is only one candidate. All other meeting votes may be executed via voice vote, roll call voice vote, show-of-hands, or in writing as determined by applicable procedures or the overseeing chair. A chair may call for a roll call voice vote at any time. If a roll call voice vote is taken, the individual votes of each voter shall be recorded in the minutes. For all other voting methods, the minutes shall record the result of the vote.

The effective date of a matter approved via meeting vote shall be the meeting date, unless otherwise specified in the motion.

## 7.6.2 Electronic Voting

An electronic vote is conducted electronically outside of a meeting. Electronic votes are initiated by a group's chair and a second is not required. Election ballots shall be executed via the corporate voting tool and staff shall execute and administer the ballots. Information about individual voters or votes is privileged and staff shall not disclose those details to any party at any time. Other electronic voting may be conducted via the corporate voting tool or within an official collaboration tool. The result of an electronic vote shall be documented in the group's next meeting minutes.

A corporate or committee electronic vote must be open for at least 30 calendar days. The authorizing chair may authorize a longer voting period.

A subcommittee-level electronic vote must be open for at least 14 calendar days. The authorizing chair may authorize a longer voting period.

An action, task, or work group electronic vote must be open for at least 7 calendar days. The authorizing chair may authorize a longer voting period.

The voting period for any electronic vote may be closed prior to the scheduled end date if all eligible votes have been cast or if the votes cast represent both quorum and a mathematical assurance that the current position will prevail regardless of the vote of any voter who has not yet cast a ballot.

The effective date of a matter approved via electronic vote shall be the date the ballot closes, unless otherwise specified in the ballot.

## 7.7 Discussion

Formal voting processes often include a specific period for discussion between a motion and the vote on the motion. X12 does not require a discussion period for any ballot and does not permit a discussion period in some situations. X12's specific discussion governance is listed below.

- There shall be no discussion period in any electronic vote, regardless of the ballot category.
- There shall be no discussion period in any election ballot conducted as a meeting vote. As determined appropriate by the presiding chair, a candidate Q&A period may be conducted prior to voting, but public

endorsement of any candidate and any comment regarding a candidate's qualifications or suitability are expressly prohibited during this Q&A period.

- There may be a discussion period in an administrative or technical ballot conducted as a meeting vote if, in the opinion of the chair authorizing the ballot, additional discussion is warranted to ensure that materially impacted constituents have an opportunity to ask questions, present facts, or state their position on the matter prior to voting.

## 7.8 Voting Positions and Comments

Formal voting processes often include specific requirements for voting positions and sometimes accommodate ballot comments.

X12 requires a specific set of voting positions for administrative and technical ballots as described below.

Each administrative and technical ballot will include three voting positions related to one or more motions. These positions shall allow a voter to agree with the motion (an approval vote), disagree with the motion (a disapproval vote), or register an abstention. In an unusual situation, the board may authorize additional positions for a specific corporate, committee, or subcommittee ballot. Committees, subcommittees, and subordinate groups shall not authorize additional voting positions for any ballot.

Voting positions for an election ballot will vary based on the number of positions available, the number of candidates for the position(s), and other situation-specific variables. Staff will confer with the chair authorizing the election ballot to determine the appropriate format and voting options for each election ballot.

### 7.8.1 Approve

A vote to approve is an affirmative vote cast in favor of the presented motion.

X12 does recognize motions with a contingency clause however, X12 does not permit contingent approval votes. Examples of a contingent approval would be "I approve if the verbiage in the introduction is eliminated" or "I approve if the resulting revision is available for use by next Friday."

Comments shall not be accepted with an approval in a ballot administered as a meeting vote or an electronic vote.

## 7.8.2 Disapprove

A vote to disapprove is a negative vote cast against the presented motion.

Comments are accepted or required with a disapproval vote as follows.

- Comments shall not be accepted in a meeting vote.
- Comments shall not be accepted in an election ballot.
- Comments may be accepted but shall not be required in an electronic vote related to an administrative ballot.
- A comment noting a technical reason for the disapproval shall be required in an electronic vote related to a technical ballot. In the event of any dispute as to whether a ballot is or is not technical, or whether a disapproval comment reflects or does not reflect a technical objection, the executive director (for corporate ballots) or committee chair (for committee or subordinate group ballots) will make the final determination.

## 7.8.3 Abstain

An abstention is neutral and is not considered an affirmative or negative vote. An abstention counts toward determination of quorum but is not counted as an approval or disapproval when the ballot is determined.

Comments shall not be accepted with an abstention vote.

## 7.9 Ballot Evaluation

### 7.9.1 Meeting Vote Evaluation

The following evaluation criteria apply to all meeting votes.

- An approval counts as an approval in the tally.
- A disapproval counts as a disapproval in the tally.
- An abstention does not count in the tally.
- A vote that cannot be determined to be an approval, disapproval, or abstention shall be considered an abstention.
- A vote received after voting closes does not count toward quorum or in the tally.

### 7.9.2 Electronic Vote Evaluation

The following evaluation criteria apply to all electronic votes.

- A ballot submitted with a voting position of "abstain" shall not be counted in the tally.
- An election ballot submitted with a voting position of "approve" shall be counted as an approval in the tally.

- An election ballot submitted with a voting position of “disapprove” shall be counted as a disapproval in the tally.
- An administrative or technical ballot submitted with a voting position of "approve" shall be counted as an approval in the tally.
- An administrative ballot submitted with a voting position of "disapprove" shall be counted as a disapproval in the tally.
- A technical ballot submitted with a voting position of "disapprove" and accompanied by a comment noting a technical reason for the disapproval shall be counted as a disapproval in the tally.
- A technical ballot submitted with a voting position of "disapprove" and accompanied by a comment that does not note a technical reason for the disapproval shall be counted as an abstention in the tally.
- A technical ballot submitted with a voting position of "disapprove" but not accompanied by a comment shall be counted as an abstention in the tally.
- A ballot submitted with no voting position shall be counted as an abstention in the tally.
- A ballot received after the specified ballot closing date shall not be considered or counted in the tally.

## 7.10 Ballot Comment Review or Response

All ballot comments shall be reviewed as part of the ballot evaluation process. Comments on a pass/fail ballot shall have no impact on ballot confirmation and will be evaluated after the ballot results are confirmed. All other ballot comments shall be reviewed prior to a ballot result confirmation. Unless formally required herein or by another formal policy or procedure, no response shall be necessary for any comment presented with any vote. If a response to the commenter is desired or required, it shall be finalized by the end of the next Standing meeting after the ballot closes. Staff shall be responsible for formatting and delivering the final response to the voter.

### **Meeting Vote**

Responses shall not be permitted for any comment presented as part of a meeting vote.

### **Election Ballot**

Responses shall not be permitted for any comment presented as part of an election ballot.

### **Pass/Fail Ballot**

Responses shall not be permitted for any comment presented as part of an election ballot. However, comments may be reviewed after the ballot is

confirmed to inform future maintenance or activities.

#### **Administrative Ballot**

Responses shall not be required for any comment presented as part of an administrative ballot; however, the authorizing chair may opt to provide responses for a specific ballot. If any commenter receives a response, all commenters shall receive a response.

#### **Technical Ballot**

Comments received in conjunction with a technical ballot shall be reviewed in accordance with the associated committee's Operating Manual or its applicable committee policy. If the committee does not have specific policy related to responses, responses shall not be required; however, the authorizing chair may opt to provide responses for a specific ballot. If any commenter receives a response, all commenters shall receive a response.

## **8 Straw Polls**

A straw poll is a non-binding, informal vote conducted to gain insight on the positions of a specific issue. Straw polls shall not be recognized as official ballots within X12 and shall never be the basis of official action, approval or disapproval.

The chair calling for a straw poll shall designate whether each X12 member participating at the time of the poll is entitled to exercise one vote or whether each individual present is entitled to exercise one vote.

Straw polls may be conducted as a meeting vote or as an electronic vote via an X12 collaboration tool. Straw polls shall not be conducted via the corporate voting tool.

## **9 Matters Requiring Supermajority**

Corporate ballots are required for the matters listed below. Unless otherwise specified, each of these matters shall require approval by two-thirds (2/3) of the members who cast a ballot, not counting abstentions.

- Election of a Director – approval requirements are defined in **CAP08 - Board Elections**
- Removal of a Director
- Termination of ANSI Accreditation
- Termination of the corporation

## **10 Internal and External Communication**

Timely, effective, and clear communication is critical to X12's organizational success. This includes communication between X12 and its members and member representatives, and communication between X12 and external entities and the public.

Communication herein is defined to include at least the following types of communications. Other types of communication are not excluded from the requirements of this section based solely on their absence from the list below.

- Press releases, announcements, broadcast messages, notices, and alerts
- Web postings, blogs, editorials, testimonials
- Press interviews
- Formal discussions
- Verbal presentations and testimony, both formal and informal
- Written presentations and testimony, both formal and informal
- White papers, handouts, training materials
- Other X12 branded materials

## 10.1 Speaking on Behalf of X12

Speaking on behalf of X12 covers both oral and written communications. The authority to speak on behalf of X12 is defined and constrained herein to ensure accurate and appropriate information is disseminated at the time and place most appropriate for the situation. All other individuals, including X12 staff, group officers, and member representatives, are restricted from speaking for the corporation unless formally assigned to do so by the X12 executive director or Board chair.

*Section 13.1* below designates the X12 executive director as the corporation's official spokesperson, responsible for all internal and external communications except when the Board chair elects to act in the spokesperson capacity or when a committee chair or formal liaison is designated with responsibility for specific communications in a particular situation. In cases where a committee chair or formal liaison is designated with communications responsibility, the chair or liaison shall take direction from the executive director as necessary to accomplish X12's organizational goals.

*Section 12.2* below designates the Board chair as ultimately responsible for the corporation's communications and permits the chair to elect to act as spokesperson in lieu of the executive director, a committee chair, or a liaison at will.

In accordance with the Operating Manual of each X12 committee, a committee chair is responsible for communicating with their committee constituents as necessary to inform the committee's constituents, accomplish its goals and complete its activities. A committee chair is responsible for speaking on behalf of their committee to other committee chairs, the X12 executive director, and the X12 board chair. Committee chairs are permitted to communicate the committee's positions and to represent the committee to external organizations only when such are directly and exclusively related to their committee's development activities. Committee chairs shall not



communicate with external organizations related to any cross-committee matter or any matter related to the organization's overall operations, including but not limited to publication, pricing, operations, and administrative matters. Subordinate group chairs are not authorized to communicate positions or represent the committee to external organizations, unless the committee's chair formally delegates their communication responsibility to a subcommittee chair in a certain instance and with the approval of the X12 executive director.

X12 designates specific individuals as formal or operational liaisons, see **CAP17 - X12 Liaisons**. A formal liaison is empowered to speak and act officially on behalf of X12 in specific circumstances, to specific groups, and under the oversight of a the X12 executive director.

## 10.2 X12's Communication Principles

The following principles shall apply to all internal and external X12 communications.

1. All X12 communications shall be conveyed positively. At no time shall X12, its officers, committees, subcommittees, members, member representatives, products, policies, partners, or specific implementers be presented in a negative manner.
2. Any communication that will be presented externally must be reviewed and approved in advance by at least two of the following: a committee chair, the executive director, the board chair.
3. X12-approved conventions for presentation, style, and format shall be followed for all written communications. These conventions are intended to ensure that X12 communications are consistent, professional, and polished, reflecting positively on the X12 organization.
4. Whenever possible, two X12 representatives will be present for any press interview, formal testimony or presentation which includes, or might be construed to include, X12 commitments or obligations.
5. The X12 logo, marks, and corporate name shall be included in any written communication developed under the auspices of the corporation.
6. The X12 logo, marks, and corporate name shall not be included in any written communication developed outside the auspices of the corporation.

## 10.3 No Supplemental Policies

The communication-related policies defined in this section establish X12's internal and external communication policies in full. They shall not be supplemented by other corporate polices or any lower-level organizational policies.

# 11 Board of Directors

The business and affairs of the corporation shall be managed under the direction of a

Board of Directors (Board), which shall determine matters of corporate policy. All powers of the corporation are exercised by or under authority of the Board.

The Board shall be composed of individuals (directors) who demonstrate significant achievements in business, education, or public service. They must have the intelligence, education and experience necessary to make a significant contribution to the deliberations of the Board. Directors shall bring a broad range of experiences to the Board.

The Board shall delegate the management of the corporation's business affairs and operations to the Executive Director, who shall have overall strategic and operational responsibility for staff, programs, expansion, and day-to-day execution. Any director desiring information or support from any X12 personnel, including staff, contractors, and consultants, shall coordinate requests and communication through the Executive Director.

The Board may delegate certain administrative functions to a supporting organization to the extent that such delegation is consistent with the Virginia Nonstock Corporation Act and other applicable law, the Articles, and these Bylaws.

## 11.1 Board Norms

The Board shall be considered a small board and shall operate under the following norms for small boards:

- Quorum for the Board shall be 50% of the eligible voters
- Motions do not require a second
- Directors are not permitted to move to limit or close debate
- Directors may discuss a subject informally while no motion is pending
- If the proposal is clear to all present, a vote may be taken without a formal motion
- The Board shall be permitted to conduct voting within X12 collaboration tools, including iMeet.
- The Board chair is not limited to tie-breaking and is permitted to make motions, speak in debate, and vote on all matters.

## 11.2 Board Meetings

At least two board meetings shall be conducted annually, one in the first half of the calendar year and the other in the second half of the calendar year. Failure to hold a required board meeting shall not invalidate the corporation's existence or affect any otherwise valid corporate acts.

Other board meetings may be conducted at the discretion of the Board chair.

All board meetings shall be announced in advance. A meeting notice may be delivered via general announcement at the previous board meeting, in the

minutes of the previous board meeting, or electronically via the board's collaboration tool. Generally, a board meeting shall be announced at least seven (7) calendar days prior to the meeting being convened. In urgent circumstances the board may agree to waive the notice requirement.

Unless the Articles, the Virginia Nonstock Corporation Act, or these Bylaws provide otherwise, any matter may be considered at any board meeting regardless of whether the matter was articulated in the meeting notice.

Any board meeting may recess and reconvene on the same day or a later day prior to the next scheduled meeting. No notice need be given for reconvening other than by general announcement prior to recessing.

### **11.3 Board Actions Requiring Supermajority**

The following matters require the approval of two-thirds (2/3) of the Board:

- Amendments to the Articles of Incorporation or the Bylaws
- Approval of a corporate ballot to remove a director
- Approval of a corporate ballot to terminate the corporation's ANSI Accreditation
- Approval of a corporate ballot to terminate the corporation
- Appointment of a director to fill a mid-term vacancy
- Removal of the Board chair, vice-chair, secretary, or treasurer
- Removal of the Executive Director
- Termination of a membership
- Temporary suspension of a corporate Rule of Order or Standing Rule

### **11.4 Board Responsibilities**

In addition to the overall responsibilities listed above, the Board shall have the following specific responsibilities:

- Defining the overall strategic direction of the corporation
- Exercising final authority over all corporate governance including, but not limited to, the following:
  - Approving revisions to the corporation's Articles and Bylaws
  - Ruling on questions of interpretation or intention related to the corporation's Articles and Bylaws
  - Ensuring the corporation's governance policies are appropriately defined, maintained, and published
- Establishing an annual budget, membership dues, meeting fees, participation fees, and special fees
- Ensuring the corporation's materials, including final, working, and draft materials, are appropriately maintained and published
- Establishing the dates and locations of corporate and standing meetings

- Determining the number of Board seats to be filled via election and assigning seats to an election cycle
- Electing and removing the Board chair, vice-chair, secretary, and treasurer
- Authorizing corporate ballots
- Invalidating a corporate ballot in an unusual situation where the ballot result would cause an extreme or irreparable hardship to the corporation
- Resolving any issue related to responsibility and authority for activities or work products that span X12 committees

## 11.5 Director Responsibilities

In addition to the Board responsibilities listed above, directors shall have the following individual responsibilities.

- Contributing productively to Board discussions and activities
- Participating timely in electronic discussions
- Completing tasks by the assigned deadline
- Attending scheduled Board meetings, unless excused in advance
- Maintaining required confidentiality
- Publicly supporting consensus decisions of the Board

In addition, the ASC chair shall have the responsibility of serving as the liaison between the ASC Steering Committee (Steering) and the Board.

## 11.6 Number of Directors

The Board of Directors shall consist of not less than five (5) nor more than nine (9) directors, including those elected by the corporation's membership and ex-officio directors. The number of directors may be adjusted via amendment to these Bylaws but any such amendment shall not affect the term of any sitting director.

## 11.7 Annual Paperwork

All directors shall submit a Non-Disclosure Agreement and Conflict of Interest Information Form in January of each calendar year or upon any request from the executive director. A director who does not provide such information timely shall be determined to have resigned their position.

## 11.8 Elected Directors

Except for ex-officio directors and directors appointed to fill a vacancy, directors shall be elected by the members pursuant to the procedures set forth in **CAP08 - Board Elections**. Directors may be re-elected for additional terms without term limits.

The terms of elected directors shall be staggered to ensure continuity and

experience among the directors. An approximately equal number of directors will be maintained in each election group by re-assigning elected director(s) to another election cycle when necessary. However, such a reassignment shall have the effect of lengthening, not shortening, the reassigned director's current term.

## 11.9 Ex-officio Positions

The following ex-officio director positions are hereby established. No other ex-officio positions shall be established except by an amendment of these Bylaws.

- ASC Chair - The elected chair of the ASC subcommittee shall be a voting director with all the responsibilities and privileges of an elected director.
- X12 Executive Director - The X12 Executive Director shall be a voting director with all the responsibilities and privileges of an elected director.
- Outgoing Board Chair - Recognizing timing incongruities can arise based on a difference between a director's term on the board and their board chair term and that such timing incongruities may impact an orderly transition, a board chair may be recognized in an ex-officio capacity for a limited period, not to exceed six (6) months. The individual shall not retain the Board chair position during this period. If the current Board chair's term as a director ends prior to the end of their board chair term and the individual is not re-elected to the Board, the board may, by a majority vote, recognize the individual in this ex-officio position. The outgoing board chair shall be recognized as a non-voting ex-officio participant
- Chair Emeritus - An immediate past board chair who has demonstrated excellent leadership during their term(s) as board chair may be awarded the ex-officio title of chair emeritus by a majority vote of the Board. The immediate past board chair may hold this honorary title for up to two one-year terms. If the honoree is currently serving as a director, the title shall not be construed to grant any rights, duties, or authority beyond that of any other director. If the honoree is not serving as a director, the honoree shall not be construed to be a director and shall be recognized as a non-voting ex-officio participant.

## 11.10 Unusual Situations Re: A Directors term

Based on governance established in the Articles, these Bylaws, and other corporate policies, situations may arise which require special action related to a director or board candidate. These situations include but are not limited to the following. In any unusual situation not described herein, the Board shall determine any necessary action by majority vote.

- If an elected director is subsequently elected as the ASC chair, the director shall be recognized in the ex-officio director position and the director's elected seat shall be deemed to have been resigned and

- shall become vacant.
- Related to the policy requiring that at least fifty percent (50%) of the elected directors be a designated member representative of an X12 member
    - If a candidate for the board was listed on the slate as qualified for a member seat but is no longer an X12 member's representative when the election ballot period ends, the candidate shall be considered for a non-member seat, if one is available. If no non-member seat is available, the candidate shall be considered disqualified and shall not be elected to any seat, regardless of the vote tally.
    - If membership non-renewal or employment changes result in fewer than fifty percent (50%) of the elected directors being a designated member representative of an X12 member mid-term, all sitting directors shall remain in their seats and the discrepancy shall be addressed at the next scheduled director election.
  - Related to the policy stating that only one (1) *elected* director may be seated from any organization
    - If a candidate for the board has an employment change after they are named to the slate and before the election ballot voting period ends, and the result is that the candidate is employed by the same organization as a seated elected director, the candidate shall be considered disqualified and shall not be elected to any seat, regardless of the vote tally.
    - If an elected director's employment changes during their term, and the change results in one organization employing more than one elected director, one of the elected directors must immediately resign their position. If the elected directors cannot agree as to which will resign and which will remain in their seat, the Board shall make the determination by majority vote; however, both impacted directors shall refrain from casting a vote in the matter.

## 11.11 Removal or Resignation of Director

The Board may approve a corporate ballot to remove any director with cause.

A director may resign at any time upon written notice to the Board chair. The resignation shall take effect when the notice is delivered unless a later date is specified in the notice. If a later date is specified in the notice, the Board may choose to honor the later date or to make the resignation effective immediately.

Any director who is absent from three (3) consecutive meetings of the Board shall be deemed to have resigned from the Board. The Board chair may expressly waive this attendance requirement in special circumstances.

## 11.12 Vacancy on Board

A board vacancy occurs when an elected or ex-officio director resigns or is removed. A board seat that remains unfilled after a board election is not considered vacant.

A vacancy in an ex-officio seat will be filled through the defined process for populating the associated ex-officio position. Until a successor is identified through the defined process, the ex-officio director seat shall remain vacant.

Regarding vacancy of an elected director seat, if the minimum number of directors is still met with the seat vacant, the seat shall remain vacant until the next regular election cycle. If a vacancy results in fewer than the minimum number of directors, the Board chair shall appoint an interim director to fill the remainder of the term. Individuals who recently served as an X12 director shall have preference for such appointments, followed by individuals who are considering or willing to run for subsequent election to a board seat.

## 12 Board Roles

The Board shall elect a chair, vice-chair, secretary, and treasurer. The term of office for each position shall be two (2) years. Recognizing timing incongruities can arise based on a board position's term end date and the board's meeting schedule, at the discretion of the board chair a term may be extended until the next board meeting or until an electronic election can be scheduled and conducted. This extension shall not exceed forty-five (45) calendar days. There shall be no limit on the number of terms that a director may serve.

Candidate's for a board role shall meet the following criteria:

- The chair shall be an elected director; ex-officio directors may not hold the office.
- Except in an unusual circumstance, a director shall have served at least one (1) year on the Board immediately prior to running for the chair position.
- The vice-chair shall be a director.
- The secretary and treasurer shall each be either a director or a well-qualified X12 member representative.
- An individual shall not hold more than one office concurrently.

The Board may remove the chair, vice-chair, secretary, or treasurer at any time, with or without cause, based on a 2/3 majority vote.

The chair, vice-chair, secretary, or treasurer may resign from their position at any time by giving written notice to the Board. Resigning from a board position does not constitute resignation as a director. Unless otherwise specified in the written notice and accepted by the Board, the resignation shall be effective upon delivery to the Board chair.

## 12.1 Principal Duties

The primary responsibilities of each board position are listed below. Other responsibilities may also apply.

### Board Chair Responsibilities

- Presiding at meetings of the Board and the Executive Committee
- Presiding at all corporate meetings
- Serving as the Board spokesperson
- Being ultimately accountable for the corporation's communications, as such the chair may elect to act as spokesperson in lieu of the executive director or any other designated individual at will
- Reporting Executive Committee activities to the Board
- Appointing directors to fill vacancies
- Appointing chairs, conveners, or constituents to Board committees
- Ensuring the corporate policies and procedures are maintained and followed
- Working directly with the Executive Director to implement the Board's organizational direction
- Signing or executing deeds, mortgages, bonds, contracts, or other instruments on behalf of the corporation, as authorized by the Board, except in cases where the signing and execution thereof is expressly or implicitly delegated to the Executive Director
- Performing other duties incident to the office of chair of a corporation

### Board Vice-Chair Responsibilities

- Performing duties usually performed by the Board chair when the Board chair is unable to perform such duties
- Performing other duties as assigned by the Board chair or the Board

### Board Secretary Responsibilities

- Acting as custodian of the records of the corporation
- Maintaining the corporation's Minute Book containing the minutes of Board and Executive Committee meetings
- Ensuring that all notices are duly given in accordance with the provisions of the Bylaws or as required by law
- Performing other duties incident to the office of secretary of a corporation
- Performing other duties as assigned by the Board chair or the Board

### Board Treasurer Responsibilities

- Having charge of and being responsible for all funds, securities, receipts and disbursements of the corporation
- Depositing, or causing to be deposited, in the name of the corporation,



- all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board
- Drafting the budget and presenting it for Board approval annually
  - Rendering to the Board chair and to the Board, whenever requested, an account of the financial condition of the corporation
  - Performing other duties incident to the office of treasurer of a corporation
  - Performing other duties as assigned by the Board chair or the Board

## 12.2 Vacancies

An election shall be held to fill a vacancy due to resignation or removal. The Board shall determine on a case-by-case basis whether the term for such election shall be for the unexpired portion of the original term or for a full two (2) year term.

# 13 Executive Director and Staff

## 13.1 Executive Director

The Executive Director shall be nominated by the Board chair, or a Board appointed selection committee, and approved by the Board. The Executive Director shall serve at the pleasure of the Board and may be removed, with or without cause, by a supermajority vote of the Board.

The Executive Director shall be the chief executive officer of the corporation and shall report only to the Board. The Executive Director is responsible for management and general supervision of the business affairs and operations of the corporation and has overall strategic and operational responsibility for staff, programs, expansion, support or operational contracts, and day-to-day execution.

Subject to the direction of the Board chair, the Executive Director's specific responsibilities shall include, but are not limited to the following.

- Providing broad leadership and direction to the corporation
- Serving as the corporation's official spokesperson, responsible for all internal and external communications except when the Board chair elects to act in the spokesperson capacity or when a committee chair or formal liaison is designated with responsibility for specific communications
- Implementing the Board's decisions, policies, and procedures
- Appointing, supervising, and remunerating the corporation's agents and employees
- Directing and overseeing committee chairs and liaisons who are designated with specific communications responsibility related to internal and external communication as necessary to ensure X12's

- organizational goals are accomplished
- Overseeing the establishment and maintenance of technical solutions and tools to support the activities, policies, and procedures of the corporation
  - Supporting the Board and Board activities
  - Addressing issues related to corporate compliance with applicable federal laws
  - Managing the efforts of member representatives as related to corporate programs and activities
  - Signing or executing deeds, mortgages, bonds, contracts, agreements, and other instruments on behalf of the corporation
  - Maintaining ANSI SDO accreditation
  - Maintaining the corporation's tax-exempt status
  - Maintaining corporate records
  - Filing, maintaining, and protecting corporate copyrights, trademarks, and logos
  - Designating the corporate office(s)
  - Designating the VA registered agent
  - Approving dues waivers in accordance with the hardship policy
  - Approving one-time dues adjustments in exception situations
  - Approving meeting fee waivers for non-members when the non-member's presence is necessary to support an X12 discussion or activity or when the non-member is being actively recruited
  - Collecting and disbursing the corporation's funds
  - Administering corporate contracts
  - Managing membership categories and options, including defining the terms, conditions, and fees
  - Licensing X12 work products, including defining the terms, conditions, & fees
  - Authorizing committee use of X12 products

## 13.2 Staff

The X12 staff is comprised of X12 employees and external contractors and consultants. All X12 staff have duties and perform tasks as assigned by the Executive Director. The Executive Director hires, oversees, and directs staff as necessary to operate the X12 organization, including the corporate business matters and the standards development matters.

## 14 Committees

The Board shall establish one or more standing committees responsible for specific tasks and activities and shall terminate standing committees as appropriate. Each standing committee shall operate within the boundaries of an approved purpose and scope or mission statement and shall function based on an approved Operating Manual. The Board chair shall establish and terminate ad hoc committees as necessary to facilitate Board activities. Each ad hoc committee shall operate within the boundaries of a detailed statement of work.

The Board shall ensure that there is clear delineation between the purpose and scope statements, mission statements, and statements of work of various committees. Committees may develop complementary work products but shall not develop work products that are in direct competition with each other. The Board shall provide oversight as necessary to ensure that each committee operates within its established boundaries. Overlap or encroachment of responsibilities between committees shall be specifically prohibited. No committee shall be allowed to denigrate or marginalize the work products of another committee.

### 14.1 Ad Hoc Committees

Ad hoc committees are established to complete a specific task or set of tasks as described in their statement of work and are not intended to operate long-term. The following precepts apply to all ad-hoc committees established by the Board, except as explicitly overridden at establishment.

The Board chair shall define the statement of work for each ad hoc committee prior to establishing the committee and shall be responsible for ensuring that the committee's activities align with the statement of work. The Board chair shall refine the statement of work as necessary to ensure the committee's effective completion of the intended work but shall not re-purpose the committee by fundamentally revising the statement of work. Committees shall limit their activities to the accomplishment of the task(s) or activity for which they were created.

The Board chair shall serve as an ex officio voting constituent of each ad hoc committee or shall appoint another director to serve in the role. If the committee establishes attendance or participation requirements, neither the Board chair nor the appointed director shall be subject those requirements.

The Board chair shall appoint an individual, who is not required to be a director, to chair the committee. The committee chair serves at the pleasure of the Board chair, however, since Ad Hoc committees are intended to operate for a limited time, the committee chair is expected to serve until the committee is deactivated. The committee chair shall serve as the liaison between the Board and the committee. The committee chair shall have all rights of a committee constituent, including voting rights.

The Board chair shall appoint individuals who are not required to be directors to serve as the committee constituents. The appointees serve at the pleasure of the Board chair. Such appointees are subject to any attendance or participation requirements established by the committee. Each appointee shall serve until a successor is appointed, the committee is terminated, the appointee resigns, or the appointee no longer meets any prerequisites.

Upon Board approval, committees may create attendance and participation requirements for committee constituents.

## 14.2 Standing Committees

Standing committees are established to oversee a defined body of work or specific activity and are intended to operate long-term. The Board chair shall be an ex officio non-voting constituent of each standing committee. The current X12 standing committees are articulated below; additional standing committees may be established at any time without or without an associated revision to these Bylaws.

## 15 X12's Standing Committees

X12 currently operates three standing committees as described below.

### 15.1 Executive Committee

The Executive Committee is established as a standing action committee. At the discretion of the Board chair, the Executive Committee is activated to assist in the management of corporate operations. The Executive Committee may act on behalf of the Board between meetings of the Board on all matters, except those specifically reserved to the Board by the Bylaws. When the Executive Committee is active, the Board chair shall report on Executive Committee activities at Board meetings.

The Executive Committee shall consist of the chair, vice-chair, secretary, and treasurer of the Board and the X12 executive director.

### 15.2 Accredited Standards Committee

The Accredited Standards Committee (ASC) is established as a standing action committee responsible for the X12 EDI Standards that are eligible for submission as American National Standards or UN/EDIFACT International Electronic Data Interchange Standards. The ASC's mission is defined in detail in **CAP18 - Accredited Standards Committee Mission** and the committee shall limit their activities to the tasks and activities defined therein. Detailed information related to the governance of the ASC shall be set forth in the current version of the **ASC01- ASC Operating Manual**.

## Steering Committee

The Steering Committee (Steering) is established as a standing action committee within the ASC. The Steering Committee is responsible for oversight of the ASC. Steering shall be led by the ASC chair and Vice-chair. These officers shall be elected by the ASC stakeholders per the provisions of **CAP09 - Committee Officer Elections**. Should circumstances arise such that there is no duly elected chair and no successor chair as defined in the ASC governance policies, the Board chair shall appoint a convener to serve until a duly elected chair can be installed.

Steering oversees the operational activities of the ASC and is responsible for maintaining ASC operational policies and procedures. Detailed information on the make-up and responsibilities of Steering shall be set forth in the current version of the **ASC01 - ASC Operating Manual**.

Notwithstanding the foregoing, Steering shall not exercise any power or authority reserved to the Board by the Articles, these Bylaws, the Virginia Nonstock Corporation Act or other applicable law.

## 15.3 Registered Standards Committee

The Registered Standards Committee (RSC) is established as a standing action committee responsible for X12 work products that are neither intended nor eligible for submission as American National Standards. The RSC's mission statement is defined in detail in **CAP19 - Registered Standards Committee Mission** and the committee shall limit their activities to the tasks and activities defined therein. Detailed information related to the governance of the RSC shall be set forth in the current version of the **RSC101 - RSC Operating Manual**.

### The Council

The Council is established as a standing action committee within the RSC. The Council is responsible for oversight of the RSC. The Council shall be led by the RSC chair and Vice-chair. These officers shall be elected by the RSC stakeholders per the provisions of **CAP09 - Committee Officer Elections** and **RSC101 - RSC Operating Manual**. Should circumstances arise such that there is no duly elected chair and no successor chair as defined in the RSC governance policies, the Board chair shall appoint a convener to serve until a duly elected chair can be installed.

The Council oversees the operational activities of the RSC and is responsible for maintaining RSC operational policies and procedures. Detailed information on the make-up and responsibilities of the Council shall be set forth in the current version of the **RSC101 - RSC Operating Manual**.

Notwithstanding the foregoing, the Council shall not exercise any power or authority reserved to the Board by the Articles, these Bylaws, the Virginia Nonstock Corporation Act or other applicable law.

## 15.4 Governance Panel

The Governance Panel (TGP) is established as a standing action committee, responsible for corporate governance and vocabulary. The Board explicitly delegates the Governance Panel with authority to act on its behalf related to all corporate policy and procedural matters, except for approval of the corporate Articles and Bylaws. The TGP's mission is defined in **CAP20 – X12 Governance Panel Mission**. Detailed information on the make-up, responsibilities, and governance of the Governance Panel shall be set forth in the current version of **TGP201 - Governance Panel Operating Manual**.

Notwithstanding the foregoing, the Governance Panel shall not exercise any power or authority reserved to the Board by the Articles, these Bylaws, the Virginia Nonstock Corporation Act or other applicable law.

## 16 Finance

The fiscal year of the corporation shall be the twelve-calendar month period beginning January 1<sup>st</sup> and ending December 31<sup>st</sup> of each year.

The corporation's asset management and financial policies shall be set forth in **COP01 - Corporate Operating Manual**.

## 17 Indemnification

### 17.1 Indemnification

Each person empaneled now or hereafter as a director of the corporation (and his or her heirs, executors and administrators) shall be indemnified by the corporation to the fullest extent permitted by the laws of the Commonwealth of Virginia against all claims, liabilities, judgments, settlements, costs and expenses, including all attorney's fees, imposed upon or reasonably incurred by him or her in connection with or resulting from any action, suit, proceeding or claim to which he or she is or may be made a party by reason of his or her being or having been a director of the corporation (whether or not he or she is a director at the time such costs or expenses are incurred or imposed upon him or her), except in relation to matters as to which he or she shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his or her duties as such director.

Under Va. Code Ann. §13.1-876, the corporation has the authority to indemnify a director if 1) he conducted himself in good faith, and 2) he

believed in the case of conduct in his official capacity with the corporation, that his conduct was in its best interests; and in all other cases, that his conduct was at least not opposed to its best interests; and in the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

If the determination as to whether a director was guilty of gross negligence or willful misconduct is to be made by the Board, it may rely as to all questions of law on the advice of independent counsel. Such right of indemnification shall not be deemed exclusive of any rights to which a director may be entitled by any bylaw, agreement, vote of members, or otherwise.

The corporation shall have the authority to purchase suitable policies of indemnification insurance on behalf of its directors or agents, the premiums for which may be paid out of the assets of the corporation.

## **17.2 Advance for Legal Proceedings**

The corporation shall, before final disposition of a proceeding and without the requirement of any additional authorization by the Board or the members, advance funds to pay for or reimburse the reasonable expenses incurred by an individual who is a party to a proceeding because he or she was a director if the individual delivers to the corporation (1) a written statement signed by the individual setting forth his or her good faith belief that he or she has met the relevant standard of conduct described in these Bylaws and the Virginia Nonstock Corporation Act; and (2) an undertaking in the form of an unlimited general obligation to repay any funds advanced if the individual is not entitled to indemnification under these Bylaws or mandatory indemnification under the Virginia Nonstock Corporation Act.

## **17.3 Severability**

Each provision of this section is intended to be severable, and if any term or provision is invalid for any reason whatsoever, such invalidity shall not affect the validity of the remainder of this section.

# **18 Corporate Operations**

The corporate shall adhere to the following operational policies.

## **18.1 Offices**

The principal office of the corporation shall be located within or without the Commonwealth of Virginia at such place as the Board designates. The principal office may be a physical site or a virtual office, and the corporation may maintain additional physical or virtual offices at other locations within or without the Commonwealth of Virginia.

## **18.2 Registered Agent**

The Board shall maintain a registered agent in the Commonwealth of Virginia.

## **18.3 Maintenance of Tax-Exempt Status**

The corporation shall operate in a manner that is entirely consistent with its qualification for exemption from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States Internal Revenue Law) as a trade association and/or business league within the meaning of Section 501(c)(6) of the Code. Accordingly, notwithstanding anything to the contrary in the Articles of Incorporation or these Bylaws, the corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from Federal income taxation as an organization described in Section 501(c)(6) of the Code. In the event of the liquidation, dissolution, or winding up of this Corporation, whether voluntary, involuntary, or by operation of law, except as may be otherwise provided by law, the Board of Directors shall have the power to dispose of the assets of the corporation in such manner as it, in its sole discretion, may determine; provided, however, that any such disposition shall be either (i) for one or more exempt purposes within the meaning of Section 501(c)(6) of the Code, or (ii) to the Federal government, or to a State or local government, for a public purpose.

Notwithstanding the foregoing, if any of the assets of the corporation are not disposed of by the Board of Directors under this section, any such assets of the corporation shall be disposed of by a court of competent jurisdiction exclusively for the purposes set forth in (i) and (ii) above, or to such organization or organizations, which, in such court's sole determination, are organized and operated exclusively for such purposes.

## **18.4 Antitrust**

X12 takes reasonable and appropriate measures to comply with U.S. antitrust laws and foreign competition laws, and expects the same from its employees, vendors, members, and member representatives. X12 meetings shall not be used as an avenue for individuals or organizations to reach unlawful agreements regarding prices, terms of sale, customers, or markets or engage in any other aspects of anti-competitive behavior.

## **18.5 Intellectual Property, Trademarks & Logos**

The corporation will own and copyright all products created under the auspices of the corporation, including those defined within X12 committees and derivative works generated by X12 staff. To encourage use of the products, the corporation will permit and/or license use of copyrighted



materials per the corporation's copyright, licensing, and fair use policies. Licensing fees shall be assessed when applicable per the licensing policies. The corporation will monitor use of copyrighted materials to assure appropriate dissemination and accurate reproduction and interpretation of those materials.

The corporation will register and own its related Trademarks and Logos. The corporation may permit and/or license use of Trademarks and Logos per the corporation's policies, which may require a licensing fee as established by the Board. The corporation will monitor the use of such Trademarks and Logos to assure appropriate dissemination and accurate reproduction of those marks.

## **18.6 ANSI Accreditation**

The corporation will maintain certification as an ANSI Accredited Standards Development Organization.

A proposal to rescind this requirement and terminate the corporation's ANSI Accreditation may be submitted to the Executive Director by any directly or materially affected member. After discussion with proponent(s) of termination and consultation with ANSI staff as necessary, the Board shall decide whether to submit the proposal to the corporation's membership for vote. If a member vote is authorized, the proposal shall also be announced for comment in ANSI Standards Action.

## **18.7 Books and Records**

The corporation shall keep correct and complete books, records of accounts, and minutes of the proceedings of its Board and of any executive or other committee exercising any of the powers of the Board. The books, records, and minutes of the corporation may be in any form that can be converted within a reasonable time into written form for visual inspection. The original or a certified copy of the Articles of Incorporation shall be kept at the principal office of the corporation. All books, records, and minutes of the corporation may be inspected by any director, or his or her accredited agent or attorney, for any proper purpose at any reasonable time. X12's books, records, and minutes shall not be generally or publicly available for inspection by other individuals, including member representatives and non-members.

## **18.8 Loans**

The law of the Commonwealth of Virginia prohibits any loans or advances, other than customary travel advances, from the corporation to any of its directors.

Loans and advances from the corporation to any of its members or member representatives shall also be strictly prohibited.

## 18.9 Compensation

The corporation shall not pay compensation to any elected director for services rendered as a director. The corporation shall not pay compensation to any member representative for services rendered as a member or member representative. However, the Board chair or Executive Director shall have authority to reimburse elected directors or member representatives for expenses incurred as part of their official corporate duties.

The Executive Director shall receive compensation in accordance with a formal duties and responsibilities agreement. Any other director who serves the corporation in a capacity above and beyond that of director may receive reasonable compensation for such services based on a formal agreement.

## 18.10 Policies and Procedures

The policies and procedures of the organization which are approved by the full membership, or some portion thereof, shall be available to member representatives online. Staff shall maintain the policies and procedures library and shall be responsible for the presentation style (formatting and consistency) and grammatical accuracy of the policies and procedures (punctuation, spelling, and other grammar conventions). Non-substantive presentation-related revisions applied by staff for consistency or correction do not require approval, however the chair of the approving group shall be notified of such a revision.

Corporate operational policies shall be maintained by staff based on board actions and made available to X12 directors upon request.

## 18.11 Bylaw Amendments

These Bylaws shall be amended by the affirmative vote of the directors as indicated herein. No advance notice of any proposed amendment shall be required; however, a revision review period of not less than three (3) and not more than fifteen (15) days shall be accommodated at the request of any director.

# 19 Corporate Terms and Definitions

To ensure consistent use of terms, definitions, and acronyms across X12 products and activities, X12 maintains the **Wordbook**, a comprehensive corporate glossary. The included terms are either proprietary to X12, cite definitions published by another authority, or represent common terms and definitions that are relevant to X12's work. The terms and definitions defined in the **Wordbook** shall be used in X12 work products when applicable, without modification or revision. The **Wordbook** can be referenced online at [wordbook.x12.org](http://wordbook.x12.org).

## 20 Document History

New versions of this document are effective on the approval date.

Date	Description
9/17/19	V5: Revised the minutes requirements and board-related policies, added clarification to ballot types, and other changes to support unified maintenance.
1/31/18	V4: Revised to include more detailed policies related to the establishment of the RSC, and to coordinate with other corporate policies.
08/25/17	V3: Revised to reflect the establishment of the RSC, with other clarity and consistency revisions.
09/22/16	V2: Revised to reflect the organization's name change, includes other minor revisions for clarity and consistency with other corporate policies.
01/25/15	Revised to align with Robert's Rules of Order terminology and procedural requirements and to incorporate the X12 Wordbook, includes other clarifications and simplifications.