



X12 Corporate Administrative Policy

CAP08 – X12 Board Elections

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X12 Board Elections

1 Introduction

The X12 Board of Directors (Board) is responsible for this policy and the associated procedures. 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 via X12's online [Feedback form](#).

2 Authority

X12 maintains corporate rules which define overall corporate policies and procedures. X12's primary organizational policies are established in the **X12 Bylaws (CAP01)**. The policies established herein supplement the **X12 Bylaws** and establish X12's board election policies in full; no lower-level governance is permitted.

3 Background

CAP08 establishes policies related to board elections, including the application process, qualifications and criteria, election process, announcement, and procedural protests.

4 Applicant Criteria

4.1 Eligibility

An applicant is determined to be eligible as a candidate, and subsequently a director, based on certain fact-based criteria. The following criteria are always used to evaluate an applicant's eligibility; other eligibility factors may be considered at the discretion of the election committee.

1. Applicants must either represent an X12 member whose representatives are entitled to serve in elected positions or be a non-member with a vested interest in X12.
2. An organization is limited to one applicant in any election, regardless of membership status.
3. Each elected director must represent a different organization. Therefore, an individual employed by the same organization as a seated elected director is not eligible to apply.
4. Immediate family members of a seated director are not eligible to apply.
5. X12 employees and their family members are not eligible to apply.
6. Employees of an organization currently operating under a contract with X12 and their family members are not eligible to apply.
7. An applicant must submit an online application by the application deadline.

4.2 Experience and Attributes

An applicant's experience and personal and professional attributes significantly impact their ability to contribute positively to the Board's leadership and X12's success. The criteria described below are subjective; however, the election committee will strive to evaluate the applicants consistently. The election committee may consider other factors so long as all applicants are subject to the same factors.

1. Executive and Corporate Governance Experience

An independent director of a U.S. corporation has disparate legal and corporate responsibilities and must focus on organizational outcomes not operational details. Therefore, applicants must have executive leadership or corporate governance experience in a business sector directly relevant to X12's business.

2. Commitment

Each applicant must be committed to X12's corporate mission and principles.

3. Availability

Each applicant must be willing to commit the time necessary to discharge board duties.

4. Conflicts

Applicants must not have any professional, volunteer, or personal interests that conflict with X12's corporate interests.

4.3 Personal Characteristics

An applicant's characteristics reflect on the X12 organization and impact the individual's ability to work effectively with other directors and X12 member representatives. The criteria described below are subjective; however, the election committee will make every effort to evaluate the applicants consistently. The election committee may consider other personal characteristics so long as all applicants are subject to the same factors.

1. Personal Characteristics

Applicants must exhibit the highest moral and ethical character, integrity, vision, objectivity, independent thought, and judgment. Applicants must demonstrate intelligence, flexibility, and interpersonal skills. An applicant must be highly regarded and respected by peers and subordinates.

2. Compatibility

Applicants must be willing and able to develop a good working relationship with other directors and with the organization's senior management.

5 Determining the Open Seats

Each board seat is identified as either an X12 member seat or an unrestricted seat. An X12 member seat must be filled by a representative listed on the roster of an X12 member. Any qualified individual may fill an unrestricted seat. At least fifty percent (50%) of the director seats must be designated as a member seat. The Accredited Standards Committee (ASC) chair's ex-officio position counts as a member seat for this calculation.

By November 1st of each calendar year, the Board determines the number of open seats for the next election. The X12 CEO determines how many of those seats are X12 member seats and how many are unrestricted seats based on the current board demographics. The number of open seats in each category is determined based on the fifty percent requirement listed above and the minimum and maximum number of directors defined in the **X12 Bylaws (CAP01)**.

Once the number of open seats is determined, X12 staff creates an election timeline that includes the milestones identified herein. The X12 CEO ensures that the election process proceeds in a timely fashion.

6 Call for Applications

In November of each calendar year, staff publishes a call for applications. The call is emailed to each member's primary representative and posted on the X12 website. The X12 CEO or Board chair may also distribute the call via other channels. The call will clearly state the applicant criteria, the number of open member seats and open unrestricted seats, the term of office, and the application deadline. The call will include a link to the online application. The application period will be at least 14 days.

To ensure all applicants are subject to the same vetting process, the application process described herein is the only mechanism for inclusion on the ballot. Candidates are not added to the ballot via any member endorsement or write-in process.

The term of office cannot be explicitly identified herein since the dates of the Winter standing meeting vary based on hotel contracts and the winners are announced at that standing meeting. However, the Winter standing meeting always adjourns on the second subsequent Wednesday after it convenes. Based on this, the incoming directors assume office on the Monday after the Winter standing meeting adjourns and relinquish the office on the Friday after the Winter standing meeting adjourns in the second subsequent year.

7 Activating the Election Committee

An adhoc election committee is activated annually to select the slate of candidates for the upcoming board election. The election committee includes all voting directors except those

running for reelection in the upcoming election. Generally, the X12 CEO is responsible for executing the application and balloting process; however, the board chair can appoint an election committee chair from among the election committee.

Before issuing the call for applicants each year, the X12 CEO creates a temporary iMeet workspace available only to the election committee. This iMeet space houses all written communication and collaboration between and among the election committee. Directors are not permitted to download any applicant information or discussion posts and may not share the information, verbally or in writing, with any other party. If a meeting of the election committee is necessary, the X12 CEO facilitates scheduling a conference call.

The election committee is automatically disbanded, and the temporary workspace is deleted from iMeet two weeks after the Winter standing meeting adjourns unless there is an active protest or dispute related to the election or the election results.

8 Application Vetting

As applications are received, staff performs a high-level screening to ensure the applicant is a real person who submitted the form on their own behalf, the submitted name and email address are legitimate, and to determine whether the applicant is a member representative. When the application period closes, staff posts the applicant information in the election committee's iMeet workspace for consideration.

As soon as possible but no later than one week after receipt of the applicant information, the election committee selects the slate of candidates from among the applicants.

The election committee's deliberations are confidential and may not be disclosed to any other party. Although it is recognized that portions of this vetting are subjective, the election committee will make every attempt to evaluate applicants consistently.

The Board is committed to maintaining diverse representation. The election committee evaluates each applicant as follows in the context of the overall composition of the Board.

1. Does the applicant meet all criteria listed in *Section 4 Applicant Criteria* above?
2. What is the applicant's overall ability and experience?
3. Does the applicant have enough X12 knowledge or experience to understand the organization's hierarchy and its political and technical aspects?
4. Does the applicant qualify for the open seats in terms of member and unrestricted seats? For example, if there are no unrestricted seats, non-member applicants are not included on the slate even if they are otherwise qualified.
5. Would the applicant contribute to a balance of individual and organizational X12 members, types of stakeholders, and industry sectors? Balance herein indicates a reasonable division but not exact numerical equality.

6. Ensuring the slate represents diversity in background, experience, and viewpoints is important; however, candidates are neither selected nor excluded solely or primarily based on race, color, gender, national origin, or sexual orientation.
7. Preference is given to applicants who meet the following criteria.
 - a. Experience as an executive or senior officer of a corporation
 - b. Experience in nonprofit governance
 - c. Executive experience in a highly-regulated industry

The election committee ensures the slate does not include any applicant who does not clearly meet all the established criteria. Based on this evaluation, the election committee may select fewer candidates than the number of open seats as determined in *Section 5 Determining the Open Seats*.

Once the election committee has selected the candidate slate, the X12 CEO notifies all applicants, including those not selected for inclusion on the slate, of the election committee's decisions. This notification must occur before an announcement of the slate is issued and the ballot is opened.

9 Announcing the Slate

X12 staff emails a slate announcement to each member's primary representative and posts it on the X12 website. The X12 CEO or Board chair may also distribute the slate announcement via other channels.

10 The Election

Board election ballots are conducted as electronic votes. The ballot must be open for at least 14 days and the ballot must close before the Winter standing meeting is convened. X12 staff executes the election per the **Bylaws (CAP01)**. The election committee makes the final decision on any issue related to the execution of the election. Election committee decisions must be based on applicable corporate policies.

When balloting closes, candidate qualifications are reconfirmed based on the following:

1. Candidates who remain eligible based on employment and membership category considerations and open seat designations are eligible for a member seat.
2. Any candidate who was a member's representative when selected for the slate but is no longer a member's representative is eligible for an open unrestricted seat but not for a member seat.
3. To demonstrate clear membership support for directors, candidates who receive approval votes equalling or exceeding the quorum requirement (20%) are eligible for a member or unrestricted seat, depending on other qualifications.
4. All other candidates are disqualified.

Among the remaining candidates, seats are awarded based on the total number of votes received.

1. First, member seats are filled by candidates who are member representatives, with each open member seat filled in turn by the unseated member representative candidate with the most votes. If there are fewer member representative candidates than open member seats, announced member seats will remain unfilled.
2. Then, each unrestricted seat is filled in turn by the remaining candidates with the most votes, regardless of membership status. If there are fewer candidates than open unrestricted seats, announced unrestricted seats will remain unfilled.
3. A run-off election is held if there is an exact numerical tie between two or more candidates in the initial ballot and one or more unfilled seats remain available. The run-off is conducted per *Section 10.1 Numerical Ties* below.
4. If there is an exact numerical tie between two or more candidates after the run-off ballot and one or more unfilled seats remain available, the Board votes to determine the winner(s).

Following ballot evaluation, staff announces the election results to the election committee. If the Board chair was not a candidate in the election, the Board chair announces the winners during the General Session (aka Corporate Meeting) of the Winter standing meeting. If the Board chair was a candidate in the election, the X12 CEO announces the winners. Following the general session, staff announces the results to X12 member representatives and posts the results on the X12 website.

10.1 Numerical Ties

In the case of an exact numerical tie between two or more qualified candidates, a run-off election is conducted to determine the winner(s). The winner(s) then serve a non-standard term. They assume office immediately after the run-off results are announced, contingent upon submission of the annual non-disclosure and conflict-of-interest paperwork to the X12 CEO. They relinquish the office on the Friday after the Winter standing meeting adjourns in the second subsequent year.

All candidates from the original slate who are qualified for the remaining seat(s) based on their membership status and the available seat(s) designation and who were not disqualified after the initial ballot based on the candidate qualification review are included on the run-off slate.

11 Assuming Office

Board terms for elected directors are two years. The incoming directors assume office on the Monday after the Winter standing meeting adjourns and relinquish the office on the Friday after the Winter standing meeting adjourns in the second subsequent year.

The incoming directors must submit the annual Non-Disclosure and Conflict of Interest paperwork to the X12 CEO before they can assume the office. Any incoming director who does not provide the required paperwork within 30 days of the date they were eligible to assume office is considered to have withdrawn interest and the director's seat is declared vacant. The Board chair can extend this deadline in extenuating circumstances.

12 Terminology

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** must be used in X12 work products when applicable, without modification or revision. The **Wordbook** can be referenced online at wordbook.x12.org.

13 Document History

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

Approved	Description
02/15/2024	V9: Revised timing requirements and improved readability.
07/10/2020	v8: Revised based on feedback, consolidated criteria into one section, and other minor clarifications.
10/18/2019	v7: Revised to eliminate duplication between with CAP01.
10/15/2018	v6: Revised to clarify the exact term dates for elected directors.
07/31/2017	v5: Revised to accommodate electronic voting.
10/25/2016	v4: Revised to expand on qualifications, vetting, and voting.
12/08/2015	v3: Revised to add details to the balloting procedure.
01/21/2015	v2: Revised for clarity and simplicity.
11/18/2013	Initial version approved.