

**X12 Corporate Administrative
Policy and Procedure**

Bylaws

(CAP01)

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1 Introduction

The X12 Board of Directors (Board) is responsible for these Bylaws, which supplement the X12 Articles of Incorporation. X12 Incorporated is referred to herein as X12, the organization, or the corporation. The policies and procedures herein supersede all other policies and procedures of the corporation excepting those contained in the X12 Articles of Incorporation.

Many terms used in these Bylaws have been explicitly defined, see **Section 16 Corporate Terms and Definitions**.

2 Operation

Method of Operation

The corporation will develop standards and support standards development 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. Business 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. 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.

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.

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.

Registered Agent

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

3 Structure

X12 has a hierarchical structure, with the Board providing overall organizational oversight. The Board establishes committees, committees may establish subcommittees or task groups, subcommittees may establish task groups or work groups, and task groups may establish work groups. Groups at each level report, and are subordinate, to their establishing group. Each group shall be established as either a standing group or a designated group, with specific responsibilities.

Authority is never delegated implicitly. The establishing group shall explicitly delegate or not delegate authority to act on its behalf in specific matters to a standing subordinate group. If authority is delegated, actions by the subordinate group carry the authority of the establishing group (action group). If authority is not delegated, the subordinate group's work is advisory and shall be approved by the establishing group (advisory 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, *X12 Membership (CAP04)*.

4.1 Member Tenets

All members in a membership category are equal. Each member has equal rights with 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 below.

- There shall be no cumulative voting in any corporate ballot.
- Each member is eligible to vote on matters requiring a corporate ballot, except as restricted under certain membership categories as defined in *X12 Membership (CAP04)*.
- Each member with voting privileges is entitled to one and only one vote in any corporate ballot.
- Each member is entitled to any authorized member discount, except as restricted under certain membership categories as defined in *X12 Membership (CAP04)*.
- In accordance with *X12 Membership (CAP04)*, each member may designate representatives to participate in corporate meetings or collaboration according to 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 **X12**

Membership (CAP04).

- Member representatives have the right to hold office, offer motions and nominations, speak in debate, and vote when eligible. These rights may be subject to more restrictive limitations in these Bylaws (**CAP01**), **X12 Membership (CAP04)**, or in committee policies and procedures to the extent that such committee limitations are consistent with these Bylaws and **X12 Membership (CAP04)**.

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 to be in agreement on the matter or acquiescing to the will of the majority.
- Each member's representatives shall contribute as informed participants in corporate 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. Various membership categories are defined in **X12 Membership (CAP04)** which accommodate individual, organizational, emeritus, and reciprocal 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 otherwise eligible for membership may become a member by submitting the appropriate application form and paying on schedule 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.

In order to prevent undue barriers to participation, 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 of the corporation who is delinquent in their 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 reason for the exception. An exception shall be based in large part 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 period of time, 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 X12 Membership (CAP04).

4.10 Refund of Membership Dues

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

5 Meetings

X12 is committed to open, consensus based processes. As such, all Accredited Standards Committee (ASC) standing meetings will be open to any party (member or non-member) having a direct and material interest in the activities of the group. The Board shall set, and non-members shall be assessed, a non-member participation fee. Any standing meeting session convened for the purpose of standards development 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 ASC chair shall authorize in advance the scheduling of any meeting not open to any duly registered individual.

ASC interim meetings convened for the purpose of standards development 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. All non-member participation in such meetings shall be approved by Steering. The Board may define and collect a non-member participation fee in such cases. ASC interim meetings convened for purposes other than standards development may or may not be open to any individual. The Board Chair or ASC chair shall authorize the scheduling of any interim meeting not open to any member.

All meetings convened under the auspices of the corporation shall have formal approved minutes which at a minimum note the number of participants, the purpose of the meeting, any actions taken, and the results of any official votes conducted during the session. It is permissible to include minutes of interim meetings as an appendix to the minutes of the next standing meeting or to publish them as stand-alone minutes. Meeting minutes must be timely provided to X12 staff for posting and retention. See *Meetings (CAP06)* for detailed policies and procedures related to meetings.

5.1 Corporate Meetings

5.1.1 Annual Corporate Meeting

An annual meeting of the members shall be held in the first quarter of each calendar year. The Board Chair will designate the specific date, time and location of the annual meeting, which need not be held in the Commonwealth of Virginia. At the annual meeting, the members shall receive reports on the activities and direction of the corporation. Failure to hold an annual meeting shall not invalidate the corporation's existence or affect any otherwise valid corporate acts.

5.1.2 Scheduled Corporate Meeting

In addition to the annual corporate meeting, the Board may define a schedule for other corporate meetings of the members to be held throughout the year as necessary to conduct corporate business. The Board Chair will designate the specific date, time and location of each meeting, which need not be held in the Commonwealth of Virginia.

5.1.3 Other Corporate Meetings

Off-cycle corporate meetings of the members may be called by the Board Chair or by majority vote of the Board of Directors to conduct unexpected business that cannot wait for the next scheduled corporate meeting. The Board Chair will designate the specific date, time and location of each off-cycle meeting, which need not be held in the Commonwealth of Virginia.

5.1.4 Notice of Corporate Meetings

All corporate meetings must be timely announced. However, a corporate meeting not timely announced shall be considered a valid meeting if quorum requirements are met and substantial objections are not timely registered. Objections shall be considered substantial when registered by at least the number of voters equal to quorum.

The corporation shall deliver notice of corporate meetings via general announcement at the preceding corporate meeting or via email to the primary representative for each member. At a minimum, the notice shall include the date, time, and place of the corporate meeting. The notice shall be given at least fourteen (14) days before the annual corporate meeting date or a scheduled corporate meeting date and seven (7) days before an off-cycle corporate meeting. Generally, notice of a corporate meeting will be given more than thirty (30) days before the meeting date. The notice does not confer voting rights for any ballot associated with the meeting. Voting eligibility is determined on the record date of the meeting.

The notice of an annual or scheduled corporate meeting is not required to include the purpose for the meeting. The notice of an off-cycle corporate meeting must include the purpose for the meeting.

Notwithstanding the foregoing, a member's primary representative waives notice requirements for any corporate meeting by attending the meeting, except when the primary representative notifies the presiding chair immediately upon the start of the meeting that attendance is for the purpose of objecting to the conduct of business on the grounds that the meeting was not properly called or convened.

Any corporate meeting may adjourn and reconvene on the same or some later date, at the same or some other place, and no notice need be given of any such adjourned meeting other than by general announcement.

5.1.5 Conduct of Corporate Meetings

The Board Chair shall preside at each corporate meeting. The Board Chair shall determine the order of business and has the authority to establish rules for the conduct of the meeting to the extent that such rules do not conflict with organizational policies and procedures.

5.1.6 Corporate Meeting Participation

The Board will determine participation options for each corporate meeting. The Board may require physical attendance or may authorize one or more means of communication by which all members participating may simultaneously hear each other during the meeting. A member participating via an authorized method is deemed to be present at the meeting.

6 Voting

Unless an exception is specifically noted in these Bylaws or another duly approved organizational policy, all voting within the corporation, whether conducted at the corporate, committee or subordinate group level, will comply with the requirements herein.

- A number of ballots equal to quorum must be cast for a vote to be recognized as official.
- There shall be no cumulative voting.
- Except for exceptions explicitly noted in these Bylaws or related policies and procedures, all ballots shall be decided by a simple majority of the voters who cast a ballot, excluding abstentions.
- When two-thirds approval is procedurally required on any voting matter, two-thirds is defined as two-thirds of the voters who cast a ballot, excluding abstentions.
- The Chair authorizing a ballot shall determine the type of ballot and the method of voting.
- The Chair conducting a ballot shall announce when the poll closes for each voting matter. After the poll closes, neither ballots, votes, or any otherwise permissible revocations or changes to a member's vote shall be accepted.

6.1 Motions

Voting is conducted based on an approved motion for a vote on a specific matter.

Corporate Motions:

The Board may identify, or any member may submit, a motion for consideration on a corporate ballot. Motions submitted for consideration as a voting item in a corporate meeting shall be submitted in writing to the Chair at least five (5) days before the meeting. The Board will timely consider such a request. If such a member motion is denied by the

Board, members may authorize the motion directly by submitting to the Executive Director a written petition approved by the number of members equal to a quorum on the date of submission of the petition. The Executive Director will verify and certify the petition before the corporate ballot is initiated.

6.2 Types of Ballots

Several types of ballots are conducted within the corporation: corporate, stakeholder, constituent, and participant ballots and straw polls. Each type of ballot shall be conducted in accordance with all approved organizational policies and procedures. No other methods of voting shall be authorized at any organizational level.

6.2.1 Corporate Ballot

A ballot in which every member of X12 is entitled to one and only one vote. Corporate ballots may be executed as electronic votes or meeting votes.

6.2.2 Stakeholder Ballot

A ballot in which every stakeholder (an X12 member who has an interest in or is materially affected by ASC activities) is entitled to one and only one vote. Stakeholder ballots may be executed as electronic votes or meeting votes.

6.2.3 Constituent Ballot

A ballot in which every constituent of a group (an X12 member representative recognized by a committee, subcommittee or subordinate group as meeting the requirements for specific privileges within that group) is entitled to one and only one vote. Constituent ballots may be executed as electronic votes or meeting votes.

6.2.4 Participant Ballot

A subordinate group ballot in which every individual in attendance at a meeting or registered as a collaborator for a specific matter is entitled to one and only one vote. Participation ballots are not permitted for corporate matters or committee matters. Participant ballots may be executed as electronic votes or meeting votes.

6.2.5 Straw Poll

A non-binding vote which may be conducted as needed to gain insight on the positions of a specific issue. Straw polls shall be designated as one vote per X12 member or all participant polls. Straw polls may be conducted as meeting votes or electronic votes via collaboration tool. Straw polls shall not be conducted via the corporate voting tool. Straw polls shall never be the basis of official approval or disapproval of any motion.

6.3 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 approved organizational policies and procedures. No other methods of voting shall be authorized at any organizational level.

6.3.1 Meeting Vote

A vote conducted at a standing or interim meeting. A meeting vote may be executed via voice vote, show-of-hands or in writing as determined by applicable procedures or the overseeing chair. The chair may call for a roll call voice vote at any time. In such cases, the individual votes of each voter must be recorded in the minutes.

6.3.2 Electronic Vote

A vote conducted electronically outside of a meeting. Electronic votes may be conducted via the corporate voting tool or within an official collaboration tool. Electronic votes must be documented in the 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 subordinate 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 votes have been cast or if the cast votes represent the required number of approvals or disapprovals to prevail should all eligible voters cast a ballot.

No minimum length is established for an electronic straw poll period.

6.4 Voting Positions

At a minimum, each ballot will include the following voting positions: approve, disapprove, and abstain. Additional positions may be authorized or required in related organizational policies.

6.4.1 Approve

An affirmative vote cast in favor of the presented motion.

Pertaining to meeting votes, comments are accepted during the discussion period but not during voting.

Pertaining to electronic votes, an approval may be accompanied by a comment at the discretion of the voter.

6.4.2 Disapprove

A negative vote, not in favor of the presented motion.

Pertaining to meeting votes, comments are accepted during the discussion period but not during voting.

Pertaining to electronic votes, a disapproval must include a comment noting the reason for the disapproval. The comment may, but is not required to, include a suggestion for revisions that could resolve the disapproval. A disapproval with no explanatory comment shall be considered an invalid vote and shall be counted as an abstention.

Certain ballots are considered technical, for example approving revisions to an ASC standard. For electronic ballots related to technical matters, a disapproval comment not based on a technical objection shall be considered an invalid vote and shall be counted as an abstention. In the event of any dispute as to whether a ballot is or is not technical or whether a disapproval comment is based or not based on a technical objection, the executive director (for corporate ballots) or committee chair (for committee or subordinate group ballots) will make the final determination.

6.4.3 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.

Pertaining to meeting votes, abstention comments are accepted during the discussion period but not during voting.

Pertaining to electronic ballots, an abstention may be accompanied by a comment at the discretion of the voter.

6.5 Record Date

The record date identifies when the members eligible to vote in a specific ballot are determined.

Record dates are set as follows:

- Corporate meeting votes - Unless otherwise specified by the Board, the record date shall be seven (7) days prior to the date of the associated ballot.
- ASC meeting votes - Unless otherwise specified by the ASC chair, the record date shall be seven (7) days prior to the date of the associated ballot.
- Subordinate group meeting votes - Unless otherwise specified by the ASC chair,

the record date shall be the date on which the vote is conducted.

- Electronic votes - The record date for any electronic vote shall be the date the ballot is electronically issued.

6.6 Proxies

Proxies are only authorized for corporate meeting ballots and committee officer elections conducted as meeting ballots. Proxies are not permitted for any other vote conducted under the auspices of the corporation.

A proxy authorizes a named individual who is not the member's primary or an alternate representative to represent the member at a specific meeting or for a specific matter. A proxy must be in the form of a tangible writing, or equivalent electronic medium that provides for the retention of data and its subsequent retrieval in perceivable form. A proxy is valid when signed, or electronically signed, by the member's primary representative and verified by X12 staff. The death or incapacity of the member appointing a proxy does not affect the validity of the proxy unless the Executive Director had prior knowledge of the member's death or incapacity.

A vote cast by a registered alternate representative is not considered a proxy.

6.7 Quorum

Regarding corporate ballots, every X12 member on the record date is an eligible voter.

Regarding stakeholder ballots:

- For ASC ballots, every X12 member on the record date is an eligible voter.
- For ASC subcommittee ballots,
 - if the subcommittee defines constituent requirements - every ASC stakeholder meeting the constituent requirements of the subcommittee is an eligible voter.
 - If the subcommittee does not define constituent requirements – every ASC stakeholder is an eligible voter.
- For subcommittee subordinate group ballots
 - If the subordinate group defines constituent requirements - every X12 member meeting the constituent requirements of the subordinate group is an eligible voter.
 - If the subordinate group does not define constituent requirements – every ASC stakeholder is an eligible voter.
- For participant ballots, every individual in attendance at a meeting or registered as a collaborator for a specific matter is an eligible voter.

Twenty percent (20%) of the eligible voters shall constitute a quorum for any meeting vote or electronic vote. Abstentions shall count toward quorum. Proxy votes are

permitted only for corporate meeting votes and committee officer elections conducted as meeting votes and shall count toward quorum. If one individual is named as the primary representative for more than one organizational member, that individual shall be entitled to cast a vote for each organizational member only for corporate ballots and committee officer elections conducted as meeting votes. In such cases, both votes shall count toward quorum and neither shall be considered a proxy.

6.8 Electronic Ballot Evaluation

The following evaluation criteria apply to all electronic ballots.

- A ballot submitted with a voting position of "approve" counts as an approval, with or without a supporting comment.
- A ballot submitted with a voting position of "disapprove" with a supporting comment counts as a disapproval.
- A ballot submitted with a voting position of "disapprove" without a supporting comment counts as an abstention.
- A ballot submitted with a voting position of "abstain" counts as an abstention.
- A ballot submitted with no voting position registered counts as an abstention.
- A ballot received after the specified ballot closing date does not count in the tally.
- If a ballot received after the specified ballot closing date contains comments, the comments will be forwarded to the developing subcommittee(s) for consideration; however, the developing subcommittee is not required to respond to the comments as part of the ballot process.

6.9 Corporate Ballot Matters

Corporate ballots are required for the matters listed below. Unless otherwise specified, each matter shall be decided by a simple majority of the members who cast a ballot, not counting abstentions.

- Election of Directors
- Removal of a Director – requires two-thirds approval
- Termination of the corporation – requires two-thirds approval
- Termination of the corporation's ANSI Accreditation – requires two-thirds approval
- Temporary suspension of a corporate Rule of Order or Standing Rule – requires two-thirds approval
- Any other matter for which policy requires a corporate ballot
- Any other matter approved by the Board for corporate ballot

7 Board of Directors

7.1 Function of Directors

The business and affairs of the corporation shall be managed under the direction of the Board, which shall determine matters of corporate policy. All powers of the corporation are exercised by or under authority of the Board.

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.

7.2 Specific Duties of the Board

The following Board responsibilities are set forth in these Bylaws:

- Managing the business and affairs of the corporation
- Maintaining the Articles, Bylaws and other corporate level policies and procedures
- Maintaining ANSI SDO accreditation
- Establishing membership dues, meeting fees, participation fees, and special fees
- Approving hardship waivers
- Calling corporate meetings
- Maintaining tax exempt status
- Maintaining corporate records
- Filing, maintaining, and protecting corporate copyrights, trademarks, and logos
- Determining the number of Board seats to be filled via election, assigning seats to an election cycle.
- Confirming the Chair's appointment of a director
- Maintaining Board officers
- Establishing Board committees
- Removal of corporate officers for cause
- Designating the corporate office(s)
- Designating the VA registered agent
- Initiating corporate ballots
- Maintaining a corporate interest category list

In addition, the Board shall have these specific responsibilities:

- Interpreting the Bylaws
- Appointing and remunerating the corporation's agents and employees
- Collecting and disbursing the corporation's funds
- Administering corporate contracts.
- Confirming the results of corporate ballots to ensure that proposed revisions are not implemented when substantive comments are determined to require additional review or action prior to implementation of the ballot, regardless of the approval vote of the membership.

7.3 Number of Directors

The Board of Directors shall consist of not less than five (5) nor more than nine (9) Directors, including both those elected by the corporation's membership and ex-officio

Directors. The maximum number of Directors may be changed by an amendment to these Bylaws, but any such amendment shall not affect the tenure of office of any sitting Director.

Annually, if the number of elected Directors is insufficient to maintain the minimum number of Directors required by these Bylaws, the Chair shall appoint, and the Board shall confirm, individuals to maintain the minimum number. Such an appointment shall be for a one-year term. Individuals who previously served as Directors shall have preference for such appointments.

7.4 Qualifications

All Directors shall submit a Non-Disclosure Agreement and Conflict of Interest Information Form annually or upon any request from the Executive Director. Any Director who does not timely provide such information shall be determined to have resigned their position.

Elected Directors

In addition to the director qualifications detailed in ***Board Elections (CAP08)***, the following qualifications apply to all elected directors.

- At least fifty percent (50%) of the elected Directors must be designated member representatives. The ASC Chair's ex-officio Director position counts as a member seat for this calculation.
- Only one (1) elected Director may be seated from any organization. In the event that 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. Ex-officio Directors are excluded from this restriction and their employment is not factored into related analysis.
- Directors need not be residents of the Commonwealth of Virginia.
- Before confirmation as Director, all Director-elects must complete and sign the corporation's Non-Disclosure Agreement and Annual Conflict of Interest Information Form.

Ex-officio Directors

- The ASC Chair shall be an ex-officio voting Director. If an elected Director is subsequently elected as the ASC Chair, the Director shall be recognized as the ex-officio Director and the Director's elected seat shall be deemed to have been resigned and shall become vacant.
- The Executive Director of the corporation shall be an ex-officio voting Director.
- If a Board Chair's elected term ends prior to the end of their board chair term and the individual is not re-elected to the Board, the individual may remain on the Board as an ex-officio non-voting Director for a period not to exceed six (6)

months to contribute to organizational continuity. The individual shall not retain the Board Chair position during this period.

7.5 Election of Directors

Directors shall be elected by the members each year at the annual meeting pursuant to the procedures set forth in *Board Elections (CAP08)*.

7.6 Director Balance

The terms of elected Directors shall be staggered, with approximately half the Directors elected in even-numbered years and half in odd-numbered years. Directors shall hold office until the conclusion of the second annual meeting of the members subsequent to election. Directors may be re-elected for additional terms without term limits.

The Board, by majority vote, may re-assign any elected Director to the other election cycle in order to insure that the number of Directors in each group will be approximately equal; such reassignment shall have the effect of lengthening, not shortening, the Director's current term.

7.7 Director Responsibilities

In addition to the Board responsibilities listed in Section 7.2 Specific Duties of the Board, Directors shall have the following individual responsibilities.

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

In addition, the ASC Chair shall serve as the liaison between the ASC Steering Committee ("Steering") and the Board.

7.8 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. Such resignation shall take effect when the notice is delivered unless a later time is specified in the notice. No acceptance of such resignation by the Board shall be necessary to make it effective.

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 extraordinary circumstances.

7.9 Vacancy on Board

Generally, Board vacancies are filled during the next regular election cycle. However, an unexpired term may be filled by an appointee based on an affirmative Board vote. A Director appointed to fill a vacancy shall serve until the expiration of the original term.

7.10 Annual and Regular Board Meetings

The corporation shall hold an annual Board meeting for: (a) election of expiring officer terms, (b) determination of the regular Board meeting schedule, and (c) transaction of such other business as may properly come before the Board. The annual Board meeting shall be held within thirty (30) days of the annual member meeting.

Failure to hold an annual Board meeting shall not invalidate the corporation's existence or affect any otherwise valid corporate acts.

The corporation may hold other regular Board meetings at such times as are affixed by the Board Chair. Unless the Articles, the Virginia Nonstock Corporation Act or these Bylaws provide otherwise, any business may be considered at the annual or any regular meeting without such business having been specified in the notice for such meeting.

7.11 Additional Board Meetings

Other meetings of the Board may be called at any time by the Board Chair or by a majority vote of the Board. Any business may be considered at an off-cycle meeting without such business having been specified in the notice for such meeting.

7.12 Notice of Board Meetings

Notification of Annual and Regular meetings shall be delivered verbally at the previous Board meeting or in the minutes of such a meeting.

The Secretary, or a designee, shall notify Directors via email of an additional meeting of the Board. Such a notice shall be delivered at least 24 hours prior to the start of the off-cycle meeting. The Board may agree to waive the notice requirement. Meeting notices may be delivered verbally at a Board meeting or in writing.

Any meeting of the Board may recess and reconvene on the same day or a later day prior to the next Annual or Regular meeting, and no notice need be given of any such meeting other than by general announcement prior to recessing.

7.13 Quorum

A majority of the Board shall constitute a quorum for the transaction of business.

7.14 Board Action

Any action required or permitted at a meeting of the Board may be taken electronically, provided no director posts an objection to the electronic action. The action and outcome shall be documented in the minutes of the next Board meeting.

Unless the Articles, the Virginia Nonstock Corporation Act or these Bylaws require a greater proportion, the action of a majority of the Directors present at a meeting at which a quorum is present shall constitute action of the Board.

The following matters require the approval of two-thirds 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
- Approval of a corporate ballot to terminate the corporation's ANSI Accreditation
- Appointment of a Director to fill a mid-term vacancy
- Removal of a Board officer
- Removal of the Executive Director
- Termination of a membership
- Suspension of a Corporate or Committee Rule of Order or Standing Rule

7.15 Board Meeting Participation

Directors may participate in a meeting in person or electronically if all persons participating may simultaneously hear each other during the meeting. A member participating via either method is deemed to be present at the meeting.

7.16 Rules of Order

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

- Motions do not require a second
- Directors may not make motions 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 having to introduce a motion formally
- The Board Chair is not limited to tie-breaking and is permitted to make motions, speak in debate, and vote on all motions.

For procedural matters not explicitly defined within these Bylaws, special rules adopted by the Board, or other corporate policies and procedures, the current edition of Robert's Rules of Order will govern the conduct of meetings of the Board in all cases to which they are applicable.

7.17 Compensation

The corporation shall not pay any compensation to any Director for services rendered to as a Director, except that Director may be reimbursed for expenses incurred in the performance of his or her duties to the corporation, in reasonable amounts as approved in accordance with Section 12.1 Expense Approval. The Executive Director shall, and

any other Director who serves the corporation in any other capacity may, receive reasonable compensation for such services pursuant to a resolution of the Board.

8 Officers of the Board

The Board shall elect a Chair, Vice Chair, Secretary, and Treasurer, each of whom must be a Director. Each election shall be for a two-year term. Notwithstanding the Director's term end date or the Officer term end date, the officer shall serve until a replacement is duly elected.

Except for the Board Chair, who shall only hold one office, it is permissible for an individual to hold more than one office concurrently. Ex-officio Directors may not hold the office of Board Chair. Except in unusual circumstances, candidates shall have served at least one (1) year on the Board immediately prior to running for the Board Chair position.

The Board may elect or appoint other officers and assistant officers as deemed necessary or appropriate.

8.1 Principal Duties

Board Chair Responsibilities

- Presiding at meetings of the Board and the Executive Committee
- Presiding at all corporate meetings
- Serving as the Board spokesperson
- Serving as the corporation spokesperson, communicating X12 positions and representing the X12 to external organizations. Unless officially assigned to do so in a specific situation or circumstance by corporate policy or at the direction of the Board Chair, no other party or individual shall have the authority to speak for X12
- Reporting Executive Committee activities to the Board
- Appointing Directors to fill vacancies
- Appointing chairs, conveners, or members to Board committees as necessary
- Ensuring the corporate policies and procedures are maintained and followed
- 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 delegated by these Bylaws, the Board, or the Chair to another officer or agent of the corporation
- Performing other duties as necessary to manage the organization

Board Vice Chair Responsibilities

- Presiding at meetings in the absence of the Board Chair
- Performing other 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 all duties incident to the office of a 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 all the duties incident to the office of a treasurer of a corporation
- Performing other duties as assigned by the Board Chair or the Board

8.2 Election and Tenure of Officers

The Board shall elect the officers of the Board. The term of office for each position shall be two (2) years. An officer may be re-elected for additional terms, with no limit on the number of terms that a Director may serve as an officer.

The Board may remove any officer at any time, with cause. Any officer may resign from an officer position at any time by giving written notice to the Board. Resigning from an officer position does not constitute resignation as a Director. Unless otherwise specified in the written notice, the resignation shall be effective upon delivery to the Board.

8.3 Vacancies

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

9 Administrative Officers

9.1 Executive Director

The Executive Director shall be the chief executive officer of the corporation and shall

report to the Board. Subject to the direction of the Board, Executive Director responsibilities shall include:

- General supervision of the business and affairs of the corporation
- Providing broad leadership and direction to the corporation
- Implementing the Board's decisions, policies, and procedures
- Overseeing the establishment and maintenance of technical solutions and tools to support the activities, policies, and procedures of the corporation
- 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 delegated by these Bylaws or the Board, to some other Officer or agent of the corporation
- Assisting the Board Chair and the Board as necessary
- Working with Board Committees to ensure committee decisions, policies, and procedures align with corresponding Board actions and decisions
- Addressing any issues or concerns related to corporate compliance with applicable federal antitrust laws

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

9.2 Subordinate Officers

Subordinate officers of the corporation shall be administrative officers under the authority of the Executive Director. The Executive Director shall designate those individuals who shall serve as subordinate officers, and they shall have such duties as are assigned to them by the Executive Director.

10 Committees

The Board may establish one or more committees responsible for specific tasks and activities. Each committee is established with a type attribute and an activity attribute. There are two type categories, standing and designated. There are also two activity categories, action and advisory.

Committee Types

Standing committees are designated to oversee a defined body of work or activity and are intended to be long-term committees. Standing committees shall define operating policies and procedures which may be subject to the approval of the Board.

Designated committees are established for a particular activity or purpose and are not intended to be long-term committees. Designated committees may define operating policies and procedures which are subject to the approval of the Board.

Committee Activities

The board delegates specific authority to action committees, including the power to make decisions and take action. Delegated authority shall not include the power to take any action requiring a 2/3 majority vote of the Board, to approve the collection of revenue or the distribution of any assets, or to administer contracts or agreements.

Advisory committees are not delegated any Board power or authority. An advisory committee is explicitly limited to providing recommendations, options, or analysis for consideration by the Board or an action committee.

Committee Logistics

The following logistics apply to all committees established by the Board, except as otherwise specified in this section or as explicitly overridden at establishment.

- The Board Chair shall be an ex officio voting member of all committees.
- The Board Chair shall appoint one Director who shall be an ex-officio voting member of the committee and who shall serve as the liaison between the Board and the committee. The liaison appointee shall not be subject to attendance or participation requirements as established by the committee. This appointee may also be appointed to serve as the committee chair. This appointee serves at the pleasure of the Board Chair.
- The Board Chair shall appoint an individual, who is not required to be a Director, to chair the committee. Such appointees are subject to attendance or participation requirements as established by the committee. Although this appointee serves at the pleasure of the Board Chair with no term limit, it is expected that the appointment will be reconfirmed every two years.
- The Board Chair shall appoint individuals who are not required to be Directors to serve on the committee. Such appointees are subject to attendance or participation requirements as established by the committee.
- Each member of a committee shall serve until a successor is appointed, the committee is terminated, the member is removed from the committee by a vote of the Directors, the member resigns, or the member no longer meets any prerequisite, such as being a Director.
- Committee quorum is determined in accordance with the provisions of Section 7.12.
- Committee meetings and actions are governed by the applicable provisions of Section 7.13 and 7.15.
- Committee participation is governed by the applicable provisions of Section 7.14.
- Committee member compensation is governed by the provisions of Section 7.16.
- Committees shall limit their activities to the accomplishment of the task(s) or activity for which they were created.
- To reduce the likelihood of inconsistency or contradiction between corporate and committee policies and procedures, committee policies and procedures may designate more restrictive requirements for a specific committee but shall not reiterate, replicate,

or duplicate the policies or procedures defined herein or in other corporate policy or procedure. No accommodation is intended or provided to allow a committee to override a corporate policy or procedure with a more permissive committee requirement.

10.1 Standing Committees

10.1.1 Executive Committee

The Executive Committee is established as a standing action committee. At the discretion of the Board Chair, the Executive Committee assists in the management of the operations of the corporation. This may involve, but is not limited to, administration of contracts and financials. 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. The Board Chair shall report on Executive Committee activities at all Board meetings.

The Executive Committee shall consist of the Chair, Vice Chair, Secretary, and Treasurer of the Board, and the Executive Director of the corporation.

In exception to Section 10 Committees, Committee Logistics above:

- The Board Chair shall not appoint a Director as an ex-officio voting member of the committee, a liaison between the Board and the committee, or as the committee's chair.
- The Board Chair shall not appoint individuals serve on the committee.

10.1.2 Accredited Standards Committee

The Accredited Standards Committee (ASC) is established as a standing action committee. The ASC is responsible for developing, maintaining, and interpreting EDI standards eligible for submission as American National Standards or UN/EDIFACT International Electronic Data Interchange Standards. Additional detailed information related to the governance of the ASC shall be set forth in the current version of the **ASC Operating Manual (ADP01, OPM)**.

In exception to Section 10 Committees, Committee Logistics above:

- The Board Chair shall not be an ex officio voting member of the ASC.
- The Board Chair shall not appoint a Director as an ex-officio voting member of the committee, a liaison between the Board and the committee, or as the committee's chair.
- The Board Chair shall not appoint individuals serve on the committee.

10.1.3 Steering Committee

The Steering Committee (Steering) is established as a standing action

committee. Steering oversees the ASC. Steering shall be led by the ASC Chair and Vice Chair. These officers shall be elected by the ASC stakeholders according to the provisions of **Committee Officer Election (CAP09)**. However, if at any time, the committee has 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 operational activities related to the development, maintenance, and interpretation of EDI standards eligible for submission as American National Standards or UN/EDIFACT International Electronic Data Interchange Standards. In addition, Steering shall be responsible for maintaining ASC related operational policy and procedure documents. Additional detailed information on the make-up and responsibilities of Steering shall be set forth in the current version of the **ASC Operating Manual (ADP01, OPM)**.

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.

In exception to Section 10 Committees, Committee Logistics above:

- The Board Chair shall not be an ex officio voting member of Steering.
- The Board Chair shall not appoint a Director as an ex-officio voting member of the committee, a liaison between the Board and the committee, or as the committee's chair.
- The Board Chair shall not appoint individuals serve on the committee.

10.1.4 Governance Panel

The Governance Panel is established as a standing action committee, responsible for governance recommendations to the board, ensuring corporate policies are aligned with other corporate policies, ensuring committee and other subordinate policies and procedures align with corporate policies and procedures, advising committees and subordinate groups, assessing committee and subordinate group policies and procedures prior to vote of the developing group, providing input on due process matters, and maintaining the corporate Wordbook. Additional detailed information on the make-up, responsibilities, and governance of the Governance Panel shall be set forth in the current version of the **Governance Panel Operating Manual (ADP201)**.

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.

11 Authority

11.1 Parliamentary Authority

The corporation shall establish and maintain corporate rules of order for the purpose of parliamentary governance. These rules are established within these Bylaws and various other corporate policies and procedures. Corporate rules of order shall be recognized equally regardless of where they are recorded except that requirements of the Bylaws supersede any other requirement in the case of conflict.

Committees may establish and maintain supplemental committee rules of order for the purpose of parliamentary governance of matters specific to the committee. These rules may be established as part of various committee policies and procedures. Committee rules of order shall be recognized equally regardless of where they are recorded. Corporate rules of order supersede committee rules of order in the case of conflict.

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.

11.2 Administrative Authority

The corporation shall establish and maintain standing rules of order for the purpose of administrative governance, which includes all governance not related to parliamentary authority. These rules are established as part of these Bylaws and various other corporate policies and procedures. Corporate standing rules shall be recognized equally regardless of where they are recorded except that requirements of the Bylaws supersede any other requirement in the case of conflict.

Committees may establish and maintain supplemental committee standing rules for the purpose of parliamentary governance of matters specific to the committee. These rules may be established as part of various committee policies and procedures. Committee standing rules shall be recognized equally regardless of where they are recorded. Corporate standing rules supersede committee standing rules in the case of conflict.

For administrative matters not explicitly defined within the established rules of order, a majority decision of the Board or Steering. In case of conflict about who shall decide, the Board will make the final determination.

11.3 Suspension of Rules

The provisions of these Bylaws shall not be suspended other than by formal amendment in accordance with section 14.7 Amendments, except for rules of order

included herein which may be suspended in accordance with the following.

Rarely, the organization may have the need to temporarily suspend a corporate or committee rule of order or standing rule based on an extenuating circumstance. In such cases, a rule may be temporarily suspended as follows:

- Suspension of a corporate rule
 - Board approval of an explicitly defined temporary period of suspension
 - A corporate ballot confirming Board approval of the explicitly defined temporary period of suspension
- Suspension of an ASC rule
 - Steering approval of an explicitly defined temporary period of suspension
 - Board confirmation of the Steering approval of the explicitly defined temporary period of suspension
 - A stakeholder ballot confirming Board approval of the explicitly defined temporary period of suspension

Temporary suspension of subordinate group rules of order or standing rules is not permissible.

12 Finance

12.1 Expense Approval

Corporate expenses will be approved by two of the bank account signatories, except that expenses incurred as part of a contract or other formal agreement shall be automatically approved on the basis of the agreement.

12.2 Bank Accounts

The Executive Director, Board Chair, and Treasurer shall be signatories on all bank accounts.

12.3 Checks, Drafts, and Orders

All checks, drafts, and orders for the payment of money, notes, and other evidences of indebtedness, issued in the name of the corporation, shall be signed by either the Executive Director or the Treasurer.

12.4 Fiscal Year

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

13 Indemnification

13.1 Indemnification

Each person now or hereafter a Director or officer 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 or officer of the corporation (whether or not he or she is a Director or officer 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 or officer.

Under Va. Code Ann. §13.1-876, the corporation has the authority to indemnify an officer or 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 or officer 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 an officer or 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 officers, Directors, or agents, the premiums for which may be paid out of the assets of the corporation.

13.2 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 an officer or 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.

13.3 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.

14 Miscellaneous

14.1 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, in the event that 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.

14.2 Books and Records

The corporation shall keep correct and complete books, records of accounts, transactions, and governance policies, 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.

14.3 Loans to Directors and Officers

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 or officers.

14.4 Intellectual Property, Trademarks and Logos

The corporation will copyright and own all products created by the corporation, including standards and derivative works. To encourage use of the products, the corporation will permit and/or license use of copyrighted materials according to the corporation's copyright and fair use policies, which may require a licensing fee as established by the Board. 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 all of its related Trademarks and Logos. The corporation may permit and/or license use of Trademarks and Logos according to 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.

14.5 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, and members. X12 meetings are not to 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.

14.6 Staff Procedures

Staff procedures supporting these Bylaws and other corporate policies and procedures are maintained separately. Questions related to the staff procedures may be directed to the Executive Director at execdir@x12.org.

14.7 Amendments

These Bylaws may be amended by the affirmative vote of the Directors; provided that notice of such proposed amendment shall be given to the Board at least five (5) days prior to such vote unless the Board agrees to waive the notice requirement.

15 Corporate Terms and Definitions

To ensure consistency within the corporation, the following terms and definitions are adopted for the organization. A number of these terms and definitions were based on Robert's Rules of Order at the time of inclusion in these Bylaws, however to accommodate X12 specifics, reduce

the need to reference external guidance, and to ensure consistency over time, they are being incorporated into these Bylaws. The terms and definitions defined herein may not be modified or revised in other policies and procedures. Stand-alone terms are defined in Section 15.01. Terms that must be understood in context with other terms are defined in Section 15.02.

To ensure consistency within X12, the terms, definitions, abbreviations and acronyms herein have been adopted for organizational use. Some definitions are proprietary to X12. Others recognize the terms and definitions of another organization or authority, including Robert's Rules of Order. Inclusion of external terms and definitions reduces the need for external references and improves consistency within X12 work products. The terms and definitions defined herein must be used in X12 work products when applicable and shall not be modified or revised.

X12 terms and definitions, both those defined explicitly herein and those defined separately are maintained in an extensive, stand-alone corporate reference, referred to as the Wordbook. Any term included in the current version of the Wordbook but not explicitly listed herein is incorporated by reference into these Bylaws in Section 15.03.

Detailed information related to maintenance of corporate terms is detailed in Organizational Lingo (CAP15).

15.1 Stand-alone Terms

Accredited Standards Committee - The X12 committee responsible for developing, maintaining, and interpreting EDI standards eligible for submission as American National Standards or UN/EDIFACT International Electronic Data Interchange Standards.

Administration - A group of X12 employees and contract staff managed by the Executive Director, who have duties and perform tasks necessary to run the X12 organization, including business and standards development matters.

Synonyms: Staff, X12 Staff

ASC Operating Manual (ADP01) - The Accredited Standards Committee's (ASC) primary policies and procedures document, also identified as ADP01. ANSI accreditation is based on these policies and procedures.

Synonyms: ASC Organization and Procedures Manual, OPM

ASC Standards Development Manual (ADP02) - The Accredited Standards Committee's (ASC) work product development and maintenance policies and procedures document.

Synonyms: Standing Document 2, SD2

ASC Standards Development Workbook - A periodic ASC publication containing approved and draft work, which is used as a reference to a ballot. This document is not to be used for implementation purposes.

Ballot Comment Response - A written communication addressing one or more ballot comments.

Bylaws - A document that defines how an organization functions. It includes an organization's foundational rules that do not change frequently. Bylaws may be suspended only if they allow their own suspension or are in the nature of rules of order.
RONR

Change Request (CR) - A request submitted by any party via X12's Change Request System suggesting one or more revisions to any X12 work product.

Charter - The governing document outlining or detailing policies and procedures which are specific to a subordinate group established by the Board, Steering e, or any subcommittee. A charter supplements corporate, committee, or subcommittee policies and procedures and does not duplicate information from those policies and procedures. In case of conflict, the charter is subordinate to corporate, committee, and subcommittee policies and procedures.

Code Maintenance Group - The group designated as responsible for maintaining an external code list owned by X12.

Code Maintenance Request - A request for action related to an X12 maintained code set, including requests for a new code and associated message, requests to revise an existing message and requests to deactivate an existing code.

Committee Policies - The suite of policies and procedures identified by the prefix ADP that apply to one or more X12 committees.

Consensus - Consensus is established when substantial agreement has been reached by members, stakeholders, constituents or participants. Substantial agreement may be more than simple majority, but not necessarily unanimity. Consensus requires that all views and objections be considered and that a concerted effort be made to resolve objections.

Constituents - Individuals that have met the requirements for specific privileges within an X12 group. Such requirements may be based on meeting attendance, collaboration participation, self-designation, or other criteria.

Constitution - The governing document outlining or detailing policies and procedures which are specific to a subcommittee. A constitution supplements corporate or committee policies and procedures and does not duplicate information from those policies and procedures. In case of conflict, the charter is subordinate to corporate and committee policies and procedures.

Corporate Policies - The suite of policies and procedures identified by the prefix CAP that apply across the X12 organization.

Correction - A revision to an X12 work product that remedies a mistake introduced during publication. A correction can result in a substantive change. Errors and omissions related to functionality represented by the work product are not considered corrections.

Data Maintenance (DM) - The Accredited Standards Committee (ASC) process for evaluating, determining, designing, implementing, approving, tracking and recording a request to revise an existing work product.

Data Maintenance Number (DM Number) - A tracking number assigned to each Accredited Standards Committee (ASC) Work Request.

Data Maintenance Status Report (DM Status Report) - A statement of the current status of all open Accredited Standards Committee (ASC) data maintenance items.

Extensible Markup Language (XML) - As defined by W3C, XML is a simple, flexible text format derived from SGML (ISO 8879). It is designed to represent and exchange data electronically.

External Code List - A code set established, maintained, and published independent of an X12 Standard. The code set may be the responsibility of X12 or another organization.

External Code List Oversight Group (ECO) - A Steering Task Group established to oversee the Accredited Standards Committee (ASC) maintained external code lists. Pronounced echo.

Governance Panel - The X12 committee responsible for drafting corporate policies and procedures, advising the Board on parliamentary, policy and procedural matters, advising other committees and subordinate groups on parliamentary, policy and procedural matters, assessing committee and subordinate group policies and procedures prior to vote of the developing group to ensure alignment with corporate policies and procedures, providing input on due process matters, and maintaining the corporate Wordbook.

Governance Panel Operating Manual (ADP201) - The Governance Panel's primary policies and procedures document.

Internal Code List - A code set established, maintained, and published as part of an X12 Standard.

Interpretation - An official clarification related to implementation of an X12 product.

In Writing - Used within X12 to distinguish written communication from spoken communication. Written communication methods include paper based communications and electronic communication via collaboration tool or email, unless policy specifically constrains to a subset of these media in a particular instance.

Lingo - The vocabulary used within X12 groups and work products. Lingo includes individual words, stand-alone phrases, and related sets of words and phrases that need to be understood in context with each other.

Material Interest - Demonstrated when an individual or represented entity can be shown to be tangibly impacted in a relevant and direct manner. The tangible impact may be related to implementation or use of an X12 work product and is not necessarily of a financial nature. A determination of the materiality of an interest may be a matter of judgment, in such cases the Board will make the determination based on the circumstances and all available information, including whether a reasonable neutral party would consider the person's interest important.

Member (X12) - An entity that has completed an application, paid the applicable dues, and been granted an X12 membership for a specific period of time.
Synonym: X12 Member

Memo of Understanding (MOU) - An agreement between X12 and another organization governing reciprocal agreements, privileges, responsibilities and liaisons.

Minutes - The official, legal record of a meeting. Minutes shall reflect what members did during the meeting (actions taken or deferred), not what they said. ^{RONR}

Motion - A member's formal proposal that the assembly take a certain action. A motion can be introduced for a substantive purpose, to allow for member discussion or to trigger an investigation that will later be reported to the group. ^{RONR}

Non-member Participants - An individual, who is neither named as a member representative nor affiliated with any X12 member, afforded specific privileges in certain

circumstances as defined within X12 policies and procedures. Non-members are not granted any other membership privileges.

Synonym – non-member

Notification - Generally, an electronic communication required by X12 procedures. Rarely, a paper-based communication required or appropriate for a specific notification.

Officer - An individual, usually a member, elected or appointed to a leadership position in an organization. ^{RONR}

Open Forum - An open session for discussion of comments and disapprovals received during a review period or ballot, or to gather information prior to or during development of a work product.

Organizational Levels - The hierarchy of the organization as described in the X12 *Organization Chart (CAP02)*.

Primary Representative - The one and only one person identified by each member, excluding Individual Members and Emeritus Members, as the official point of contact between the member and ASC X12. All official correspondence, including ballot packages, is sent to the Primary Representative.

Procedural Grievance - A complaint or concern related to conformance with X12 policies and procedures.

Procedures Review Board (PRB) - The ASC group that ensures due process is followed within the ASC.

Procedures Review Board Representative (PRB Rep) - A designated subcommittee constituent assigned primary responsibility for representing the subcommittee on the ASC PRB and for communications between the subcommittee and the PRB.

Project Delegate - A designated member representative assigned primary responsibility for shepherding the development or maintenance process of an X12 product.

Project Proposal (PP) - The written description of a proposed development activity for a new X12 product.

Purpose and Scope Statement - The assignment or authorized work of an X12 group.

Record Date - The date on which the corporation determines the members eligible to

vote in a specific corporate or committee ballot. ^{RONR}

Request for Interpretation (RFI) - A request for a clarification related to use of an X12 work product.

Representative Voting Panel (RVP) - Applicable only to External Code List Maintenance, a pre-defined representative set of voters defined by the governing policies of the associated code maintenance group.

Statement of Work - The assignment or authorized work of a designated group, which shall include a purpose and scope statement, the expected period of performance, assigned deliverables or accomplishments, and the initial quorum requirement. The Statement of Work shall be created and approved by prior to establishment of the designated committee. ^{RONR}

Steering Committee - The X12 committee responsible for oversight of the Accredited Standards Committee (ASC).

Substantive Change - Any modification that would cause a change in the use of a standard or change the requirements for compliance to that standard.

Supervising Group - The X12 group determined responsible for work products, collaboration, or other activities undertaken by a subordinate group.

Vice Chair - X12 does not hyphenate the term vice chair.

Work Request (WR) - Form used for requesting revision to an existing ASC product or for requesting development of a new ASC product.

X12 Board - A group of elected leaders who oversee the business affairs of X12.

X12 Incorporated (X12) - An ANSI-accredited, consensus-based, 501(c)(6) organization focusing on the development, implementation, and ongoing use of interoperable electronic data interchange standards.

X12 Derivative Product - An X12 product generated or created from the metadata of another X12 work product.

X12 Standard Metadata Repository (XSMR) - XSMR is the data store housing all X12 messages, their components, and their usages.

X12 Standard - A specific standard approved by an X12 committee, which may or may

not be intended for subsequent submission to ANSI for consideration as an American National Standard.

15.2 Related Terms

15.2.1 X12 Groups

The general term “Group” may be used in place of any of the explicitly identified groups defined in this section when there is no need to distinguish the group hierarchy in the context, to collectively reference all, or any subset, of the groups explicitly identified in this section, or as an acronym in a document once a clear association has been made between the acronym and the explicitly identified group.

Subordinate Group – A group operating under the authority and oversight of an establishing group. All attributes of the establishing group apply to subordinate group, except as specifically overridden in accordance with established procedures.

15.2.1.1 Attributes of Groups

All X12 groups are established as either a designated or standing group and either an action or advisory group.

Designated Group - A group established as a need arises, which ceases to exist on completion of assigned tasks or after making a final report. The group must operate under an approved and published statement of work. ^{RONR}

Synonyms not used within X12 include Ad Hoc Group, Special Group, and Appointed Group.

Standing Group - A group established with a continuous existence. The group must operate under an approved and published Purpose and Scope statement which may, but is not required to be, contained in a group Constitution or Charter.

^{RONR}

Action Group - A group established with specific authority to act on behalf of the establishing group. ^{RONR}

Advisory Group - A group established to advise the establishing group. Only the establishing group can take action on recommendations or findings of the advisory groups. ^{RONR}

15.2.1.2 Types of X12 Groups

Committee - A designated or standing group operating under the authority and oversight of a board, consisting of one or more individuals elected or appointed by an organization to consider, study, investigate, or take action on assigned matters. Only committee members and invited guests may be present during a committee's deliberations in meetings. Members may not generally make motions to limit debate. ^{RONR} Within X12, committees are formed by the Board to facilitate efficient and effective completion of standards development tasks, to support the efforts of other committees, or to support the Board.

Subcommittee – A subordinate group operating under the authority and oversight of a committee.

Task Group (TG) –A subordinate group that facilitates or supports the establishing group's work.

Work Group (WG) - A subordinate group established to facilitate or support a specific task group.

15.2.2 Meetings

Meeting - A synchronous assembly for the purpose of conducting business, the assembly may be a single session or a series of related sessions in a pre-defined period of time. Meetings may be conducted virtually (for example, via teleconference, webinar or collaboration session) or at a physical location (for example, at a hotel or other conference facility) or simultaneously virtually and at a physical location.

Corporate Meeting - A meeting of all X12 members called by the X12 Board for the purpose of conducting X12 business at a specified physical location. Corporate meetings are generally held in conjunction with a standing meeting. At least one corporate meeting will be called annually.

Executive Session – an assembly limited to an identified leadership group.

Session – a single assembly of a group.

Standards Development Meeting - A meeting called for the purpose of conducting standards development activities. There are two types of standards development meetings, Standing and Interim.

Interim Meeting - A meeting scheduled between standing meetings as needed to accommodate work load and publication time-lines. Interim meetings may be called by the elected leaders of a committee or subordinate group. Interim meetings may be scheduled at regular intervals or as one-time sessions. Interim meetings generally include a single session for Steering, a subcommittee, a task group or a work group.

Standing Meeting - A meeting called by the Board based on a pre-determined cycle. Standing meetings include sessions for all subcommittees and Steering. A periodic meeting held at defined intervals.

15.2.3 Member

X12 Member (Member) - An organization or individual who has completed an application, paid the applicable dues and been granted X12 membership for a specific period of time. Each member may self-designate as a stakeholder in one or more than one committee.

This term is used only in reference to X12 membership. Recognized participants of specific committees, subcommittees or other subordinate groups who have met the requirements for specific privileges within that group shall be referenced as stakeholders or constituents, not members.

Stakeholder - An X12 member who has an interest in or who is materially affected by activities of an X12 committee, subcommittee, or subordinate group.

Constituent - Individuals that have met the requirements for specific privileges within an X12 group. Such requirements may be based on meeting attendance, collaboration participation, self-designation, or other criteria.

Participant - An individual who attends a meeting or contributes to a specific collaboration of a specific committee, subcommittee, or subordinate group and doesn't meet the criteria of any other named role, such as stakeholder or constituent.

Member Representative - An individual who participates in X12 activities on behalf of an X12 member. There are three type of member representatives; primary, alternate, and designated.

Primary Representative – The individual named as the official liaison between X12 and a member. All members are required to name a primary representative. The primary representative is the only authorized representative who can speak at X12 on behalf of the member receives official X12 correspondence, is responsible for communicating X12 information to any other member representatives votes on behalf of the member in corporate ballots.

Alternate Representative - An individual named to represent and vote for the member in the absence of, or in lieu of, the primary representative. Depending on membership category, members may not be entitled to an alternate representative.

Designated Representative - An individual verified by the primary representative as authorized to represent the member in certain X12 committee activities. Designated representatives are not official liaisons between the member and X12 and cannot vote in corporate ballots, except as allowed by Proxy Voting policies. Depending on membership category, members may not be entitled to an alternate representative.

15.2.4 Rules of Order

Rules of Order – an organization’s rules of order govern parliamentary procedures. ^{RONR}

Corporate Rules of Order - Separate policy and procedure documents denoting the Rules of Order which apply across the organization are adopted by the board or the entire membership in accordance with the requirements of the specific document.

Committee Rules of Order - Additional policy and procedure documents denoting the Rules of Order which apply to specific X12 committees are adopted by the committee's oversight group or the entire membership in accordance with the requirements of the specific document. Committee Rules of Order are subordinate to, and cannot contradict or overrule, the Corporate Rules of Order.

Subcommittee Rules of Order - Additional policy and procedure documents denoting the Rules of Order which apply to specific X12

subcommittees are adopted by the subcommittee's oversight group or the entire membership in accordance with the requirements of the specific document. Subcommittee Rules of Order are subordinate to, and cannot contradict or overrule, the Corporate or Committee Rules of Order.

Subordinate Group Rules of Order - Additional policy and procedure documents denoting the Rules of Order which apply to specific X12 subordinate groups are adopted by the committee's oversight group or the entire membership in accordance with the requirements of the specific document. Subordinate Group Rules of Order are subordinate to, and cannot contradict or overrule, the Corporate, Committee, or Subcommittee Rules of Order.

15.2.5 Standing Rules

Standing Rules – an organization's administrative governance, including all matters not related to parliamentary procedure. ^{RONR}

Corporate Standing Rules - Separate policy and procedure documents denoting the Standing Rules which apply across the organization are adopted by the board or the entire membership in accordance with the requirements of the specific document.

Committee Standing Rules - Additional policy and procedure documents denoting the Standing Rules which apply to specific X12 committees are adopted by the committee's oversight group or the entire membership in accordance with the requirements of the specific document. Committee Standing Rules are subordinate to, and cannot contradict or overrule, the Corporate Standing Rules.

Subcommittee Standing Rules - Additional policy and procedure documents denoting the Standing Rules which apply to specific X12 subcommittees are adopted by the subcommittee's oversight group or the entire membership in accordance with the requirements of the specific document. Subcommittee Standing Rules are subordinate to, and cannot contradict or overrule, the Corporate or Committee Standing Rules.

Subordinate Group Standing Rules - Additional policy and procedure documents denoting the Standing Rules which apply to specific X12 subordinate groups are adopted by the subordinate group's oversight group or the entire membership in accordance with the requirements of

the specific document. Subordinate Group Standing Rules are subordinate to, and cannot contradict or overrule, the Corporate, Committee, or Subcommittee Rules of Order.

15.2.6 Voting

Types of Ballots – The following types of ballots are established for the organization.

Corporate Ballot - A vote authorized by the Board in which every member X12 member is entitled to one and only one vote. Corporate ballots may be executed as electronic ballots or meeting votes.

Stakeholder Ballot - A vote in which every stakeholder of a specific X12 committee is entitled to one and only one vote. Stakeholder Ballots may be authorized by the Board, or a committee, subcommittee or subordinate group chair. Stakeholder ballots may be executed as electronic ballots or meeting votes.

Constituent Ballot - A vote in which every constituent of a specific X12 subcommittee or subordinate group is entitled to one and only one vote. Constituent Ballots may be authorized by the subcommittee or subordinate group chair of any group whose Constitution or Charter establishes constituent requirements. Constituent ballots may be executed as electronic ballots or meeting votes.

Participant Ballot - A subordinate group vote in which every individual in attendance at a meeting or registered as a collaborator for a specific matter is entitled to one and only one vote. Participation ballots are not permitted for corporate matters or committee matters. Participant ballots may be executed as electronic ballots or meeting votes.

Straw Poll - A non-binding vote which may be executed in any meeting as needed to gain insight on the positions of a specific issue. Straw votes can be designated as member-only votes or participant votes.

DpANS Ballot – An electronic ballot conducted according the ANSI requirements for processing dpANS.

Representative Voting Panel Ballot

Applicable only to X12 maintained external code set maintenance groups. Voting privileges are restricted to a pre-defined representative group as defined by the governing policies.

Methods of Voting

The following methods of voting are established for the organization.

Electronic Vote - A vote conducted electronically outside of a meeting. Electronic votes may be conducted via the corporate voting tool or within an official collaboration tool.

Meeting Vote - A vote conducted at a standing or interim meeting. A meeting vote may be executed via voice vote, show-of-hands or in writing as determined by applicable procedures or the overseeing chair.

15.3 Other Terms

Other terms and definitions as listed in the current X12 Wordbook are hereby incorporated by reference into these Bylaws.

16 Document History

New versions of this document are effective on the approval date, unless otherwise stated in the approval.

09/22/16	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.