



**X12 Corporate Administrative
Policy and Procedure**

Bylaws

(CAP01)

Table of Contents

1	Introduction.....	1
2	Overarching Policy.....	1
3	Structure.....	1
4	Members.....	2
4.1	Member Tenets	2
4.2	Member Rights	2
4.3	Member Responsibilities.....	3
4.4	Eligibility for Membership	3
4.5	Application for Membership.....	4
4.6	Membership Dues and Fees	4
4.7	Membership Delinquency	4
4.8	Hardship Exceptions.....	4
4.9	Withdrawal or Termination of Membership	5
4.10	Refund of Membership Dues	5
5	Authority	5
5.1	Parliamentary Authority.....	5
5.2	Administrative Authority	6
5.3	Suspension of Rules.....	7
6	Meetings.....	7
7	Balloting and Voting.....	8
7.1	Record Date	9
7.2	Voting Proxies.....	9
7.3	Quorum	9
7.4	Ballot Types.....	10
7.4.1	Corporate Ballot.....	10
7.4.2	Committee Ballot	11
7.4.3	Constituent Ballot	11
7.4.4	Subcommittee Ballot.....	11
7.4.5	Representative Voting Panel Ballot.....	11
7.4.6	Participant Ballot.....	11
7.5	Ballot Categories	12
7.6	Methods of Voting.....	12
7.6.1	Meeting Voting.....	12
7.6.2	Electronic Voting.....	13
7.7	Voting Positions.....	13

7.7.1	Approve	13
7.7.2	Disapprove	14
7.7.3	Abstain	14
7.8	Ballot Evaluation	14
7.8.1	Meeting Vote Evaluation	14
7.8.2	Electronic Vote Evaluation	15
7.9	Ballot Comments	15
8	Straw Polls.....	16
9	Matters Requiring Supermajority.....	17
10	Board of Directors	17
10.1	Function of Directors.....	17
10.2	Board Responsibilities	17
10.3	Director Responsibilities	18
10.4	Number of Directors.....	18
10.5	Qualifications	18
10.6	Election of Directors.....	19
10.7	Director Balance	19
10.8	Removal or Resignation of Director	19
10.9	Vacancy on Board.....	20
10.10	Annual and Regular Board Meetings	20
10.11	Board Norms	21
10.12	Board Actions Requiring Supermajority	21
11	Officers of the Board	21
11.1	Principal Duties.....	22
11.2	Election and Tenure of Officers	23
11.3	Vacancies	23
12	Executive Director and Staff	23
12.1	Executive Director.....	23
12.2	Staff	24
13	Committees	25
13.1	X12 Ad Hoc Committees.....	25
13.2	X12 Standing Committees	26
13.2.1	Executive Committee	26
13.2.2	Accredited Standards Committee	26
13.2.3	Registered Standards Committee	27
13.2.4	Governance Panel.....	28

14	Finance	29
15	Indemnification	29
15.1	Indemnification	29
15.2	Advance for Legal Proceedings	30
15.3	Severability	30
16	Corporate Operations.....	30
16.1	Offices	30
16.2	Registered Agent.....	30
16.3	Maintenance of Tax Exempt Status.....	30
16.4	Antitrust	31
16.5	Intellectual Property, Trademarks & Logos	31
16.6	ANSI Accreditation.....	32
16.7	Books and Records	32
16.8	Loans.....	32
16.9	Compensation	32
16.10	Policies and Procedures	33
16.11	Staff Procedures.....	33
16.12	Bylaw Amendments.....	33
17	Corporate Terms and Definitions.....	33
18	Document History.....	1

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 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.

2 Overarching Policy

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

3 Structure

X12 has a hierarchical structure, with the Board providing overall organizational oversight. The Board shall establish committees. Committees may establish subcommittees. Committees and subcommittees may establish subordinate groups known by various names such as task groups, work groups, and action groups. Groups at each level operate under the authority of their establishing group.

Except for the Board, each X12 group is established with a type attribute and a category attribute. There are two types and two categories, as described below.

Group Types

A group's type is selected based on the expected longevity of the group.

Standing groups are established to oversee a defined body of work or specific activity and are intended to operate long-term. Standing groups may define group-specific policies and procedures which shall be subordinate to corporate policies and procedures and subject to the approval of the establishing group.

Ad hoc groups are established to complete a specific task and are not intended to operate long-term. Ad hoc groups may define group-specific policies and procedures which shall be subordinate to corporate policies and procedures and subject to the approval of the establishing group.

Group Categories

Authority is never delegated implicitly. The establishing group shall explicitly delegate or not delegate authority to act on its behalf in specific matters. If authority is delegated,

actions by the subordinate group carry the authority of the establishing group (authority group). If authority is not delegated, the subordinate group's work is advisory and shall be approved by the establishing group (advisory group). An advisory committee is explicitly limited to providing recommendations, options, or analysis for consideration by the Board or an action committee.

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

4.2 Member Rights

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

- Each member is eligible to vote in a corporate ballot, except as restricted under certain membership categories in *X12 Membership (CAP04)*.
- Each member with voting privileges is entitled to have their primary representative exercise one and only one vote in any corporate ballot.
- Each member is entitled to declare stakeholder interest in any X12 committee, except as restricted under certain membership categories in *X12 Membership (CAP04)*.
- Each member who has been granted stakeholder status in an X12 committee based on that committee's policies, shall be eligible to vote in an associated committee ballot, except as restricted under certain membership categories in *X12 Membership (CAP04)*.
- Each committee stakeholder with voting privileges is entitled to have their primary representative exercise one and only one vote in any associated committee ballot.
- Each member who has been granted constituent status in an X12 group based on that group's policies, shall be eligible to vote in an associated ballot, except as restricted under certain membership categories in *X12 Membership (CAP04)*.
- Each constituent with voting privileges is entitled to have their designated representative exercise one and only one vote in any group ballot.
- Each member is entitled to any authorized member discount, except as restricted under certain membership categories as defined in *X12 Membership (CAP04)*.
- In accordance with *X12 Membership (CAP04)*, each member may designate representatives to participate in meetings or collaboration per

the provisions of the specific membership category. Such participation may be subject to more restrictive limitations in committee policies and procedures to the extent that such limitations are consistent with these Bylaws and **X12 Membership (CAP04)**.

- Member representatives generally have the right to hold office, offer motions and nominations, speak in debate, and vote when eligible. However, these rights may be subject to more restrictive limitations herein, in **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 in agreement on the matter or acquiescing to the will of the majority.
- Each member's representatives shall contribute as informed participants in ballots, collaborations, or surveys in accordance with organizational policies and procedures or shall abstain from participation in such matters.

4.4 Eligibility for Membership

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

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

4.5 Application for Membership

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

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

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

4.6 Membership Dues and Fees

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

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

4.7 Membership Delinquency

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

4.8 Hardship Exceptions

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

4.9 **Withdrawal or Termination of Membership**

Any member may withdraw from the corporation by giving thirty (30) days written notice of such intention to the Executive Director. The Board may approve termination of a membership with cause at any time. The terminated member may appeal the termination in accordance with ***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 who withdraws or whose membership terminates for any reason.

5 **Authority**

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

5.1 **Parliamentary Authority**

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

Committees may establish and maintain supplemental rules of order governing matters specific to the committee. Committee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate policies or procedures. No accommodation is intended or provided to allow a committee to override a corporate policy or procedure with a more permissive committee rule. Committee policies and procedures shall be identified with a designated prefix and a unique number. Committee rules shall be recognized equally regardless of where they are recorded, except that the requirements of a Committee's Operating Manual shall supersede any other committee requirement in case of conflict. Corporate rules shall supersede committee rules in case of conflict.

Subcommittees may, at the discretion of their establishing committee, establish and maintain supplemental rules of order governing matters specific to the subcommittee. In such cases, the subcommittee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate corporate or committee policies or procedures. No accommodation is intended or provided to allow a subcommittee to override a corporate or

committee policy or procedure with a more permissive subcommittee rule. Subcommittee rules shall be subject to approval by the establishing committee. Corporate and Committee rules of order shall supersede subcommittee rules in case of conflict.

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

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

5.2 Administrative Authority

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

Committees may establish and maintain supplemental standing rules governing matters specific to the committee. Committee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate the corporate policies or procedures. No accommodation is intended or provided to allow a committee to override a corporate policy or procedure with a more permissive committee rule. Committee policies and procedures shall be identified with a designated prefix and a unique number. Committee rules shall be recognized equally regardless of where they are recorded, except that the requirements of the Committee's Operating Manual shall supersede any other requirement in case of conflict. Corporate rules shall supersede committee rules in case of conflict.

Subcommittees may, at the discretion of their establishing committee, establish and maintain supplemental standing rules governing matters specific to the subcommittee. In such cases, the subcommittee rules may designate more restrictive requirements but shall not reiterate, replicate, or duplicate corporate or committee policies or procedures. No accommodation

is intended or provided to allow a subcommittee to override a corporate or committee policy or procedure with a more permissive subcommittee rule. Subcommittee rules shall be subject to approval by the establishing committee. Corporate and Committee rules shall supersede subcommittee rules in case of conflict.

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

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

5.3 Suspension of Rules

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

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

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

6 Meetings

A quorum is not required to convene a meeting; however, a quorum must be established for the group to take any action requiring a vote.

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

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

meetings.

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

Interim meetings convened for standards development purposes shall be open to any member representative and may be open to other individuals (non-members) having a direct and material interest in the activities of the group. Member representatives shall be entitled to attend such meetings as a benefit of membership. Non-member attendance at specific interim meetings is at the discretion of the overseeing committee chair. If the committee chair approves non-member attendance, non-members shall be entitled to attend based on verification of material interest and payment of the prescribed non-member participation fee. Interim meetings convened for purposes other than standards development may or may not be open to any individual. Approval from the Board Chair or a committee chair is required prior to the scheduling any session not open to any duly registered individual.

All meetings convened under the auspices of the corporation shall be duly announced and shall have formal approved minutes which record the fact of the meeting and the actions taken by attendees. Minutes shall, at a minimum, note the presiding chair, the number of participants, the purpose of the meeting, any action or follow-up items, and the results of any official votes. The minutes of an X12 group shall not contains a transcript or summary of what is said at the meeting nor a record of who spoke on any specific topic. Corporate and standing meeting minutes must be submitted to staff within thirty (30) days of the conclusion of the meeting. Interim meeting minutes may be submitted to staff within thirty (30) days of the conclusion of the meeting or may be included as an appendix to the minutes of the next standing meeting. See **Meetings (CAP06)** for detailed policies and procedures related to corporate, standing, and interim meetings.

7 Balloting and Voting

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

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

- Meeting votes shall be recognized as official when quorum has been confirmed, without regard to whether every eligible voter exercises their vote.
- Electronic ballots shall be recognized as official when the number of votes cast, including abstentions, is equal to quorum.
- Excluding exceptions explicitly noted in corporate or committee policies, all ballots shall be decided by a simple majority of the voters who cast a ballot, excluding abstentions.
- When a higher approval percentage is procedurally required on any voting matter, the percentage shall be based on the number of voters who cast a ballot, excluding abstentions.
- The Chair authorizing a ballot shall determine the type of ballot and the method of voting unless either attribute is otherwise specified in policy.
- The Chair authorizing a ballot shall determine when the poll closes.
 - Prior to the poll closing, a voter may elect to change their previously cast vote to another voting position, but once cast, the voter cannot withdraw their vote from the record.
 - After the poll closes, no additional votes shall be accepted and cast votes shall not be changed.
- There shall be no cumulative voting in any ballot.

7.1 Record Date

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

Record dates are set as follows:

- For any ballot conducted as an electronic vote, including all corporate and committee ballots, the record date shall be the date the ballot is electronically issued.
- For subcommittee ballots conducted as a meeting vote, the record date shall be the date on which the vote is conducted unless the subcommittee's constitution defines the record date as seven (7) days prior to the date of the vote.
- For constituent ballots conducted as a meeting vote, the record date shall be the date on which the vote is conducted.
- There is no record date for participant ballots.

7.2 Voting Proxies

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

7.3 Quorum

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

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

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

Twenty percent (20%) of the group's constituents or eligible voters shall constitute a quorum for any meeting vote or electronic vote. Abstentions shall count toward quorum. A group's chair shall be considered an eligible voter for quorum purposes, without regard to whether the chair casts a vote in any ballot.

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

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

7.4 Ballot Types

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

7.4.1 Corporate Ballot

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

7.4.2 Committee Ballot

A ballot authorized by the chair of an X12 committee with no constituent criteria. Since the committee has not defined constituent requirements, each of the committee's stakeholders of record (an X12 member who has registered as materially affected by the committee's activities) as of the record date is entitled to one and only one vote in a committee ballot. All committee ballots shall be executed as an electronic vote.

7.4.3 Constituent Ballot

A ballot authorized by the chair of a group that has defined constituent criteria. Constituent ballots may be authorized for committee, subcommittee, or subordinate group ballots. Every constituent (an X12 member representative recognized by the group as meeting the requirements for specific privileges within that group) of the group as of the record date is entitled to one and only one vote in a constituent ballot.

A committee's constituent ballot shall be executed as an electronic vote. All other constituent ballots may be executed as a meeting vote or as an electronic vote.

7.4.4 Subcommittee Ballot

A ballot authorized by the chair of a subcommittee with no constituent criteria. Since subcommittee has not defined constituent requirements, each of the establishing committee's stakeholders of record as of the record date is entitled to one and only one vote in a subcommittee ballot. A subcommittee ballot may be executed as a meeting vote or as an electronic vote.

7.4.5 Representative Voting Panel Ballot

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

7.4.6 Participant Ballot

A ballot authorized by the chair of a subcommittee or subcommittee subordinate group. Every X12 member representative in attendance at a meeting or registered as a collaborator for a specific matter is entitled to one and only one vote in the ballot. Participant ballots may be executed as a meeting vote or as an

electronic vote via an X12 collaboration tool. Participant ballots shall not be conducted via the corporate voting tool. Participation ballots are expressly prohibited for corporate matters and committee matters.

7.5 Ballot Categories

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

Administrative Ballots

An administrative ballot is issued as necessary to for the maintenance of policies, procedures, and other matters which are not appropriate for a technical or election ballot.

Election Ballots

An election ballot is issued to elect directors, chairs, vice-chairs, and other officers in accordance with applicable policy.

Technical Ballots

A technical ballot is issued as necessary to approve or revise X12 balloted work products, including standards, technical reports, guidelines, and design rules.

7.6 Methods of Voting

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

7.6.1 Meeting Voting

A meeting vote is conducted at a standing or interim meeting. Meeting votes are initiated by a motion and a second is required to proceed with discussion and voting. The chair of any group is eligible to offer motions but shall not be the seconder. A meeting vote may be executed via voice vote, roll call voice vote, show-of-hands, or in writing as determined by applicable procedures or the overseeing chair. The chair may call for a roll call voice vote at any time. If a roll call voice vote is taken, the individual votes of each voter must be recorded in the minutes. For all other voting

methods, the minutes shall record the result of the vote.

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

7.6.2 Electronic Voting

An electronic vote is conducted electronically outside of a meeting. Electronic votes may be conducted via the corporate voting tool or within an official collaboration tool. Electronic votes are initiated by a group's chair and a second is not required to conduct the voting. The result of an electronic vote shall be documented in the group's next meeting minutes.

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

A subcommittee or 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 eligible votes have been cast or if the votes cast represent both quorum and the required number of approvals or disapprovals to prevail should all eligible voters cast a ballot.

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

7.7 Voting Positions

At a minimum, each ballot will include three voting positions: approve, disapprove, and abstain. Additional positions may be authorized or required in approved corporate or committee policies. Subcommittees and subordinate groups shall not authorize additional voting position. Comments are frequently accepted with a vote and may be required in certain situations.

7.7.1 Approve

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

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

Pertaining to an electronic election, comments shall not be accepted with an approval.

Pertaining to a non-election electronic vote, an approval may be accompanied by a comment at the discretion of the voter.

7.7.2 Disapprove

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

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

Pertaining to an electronic election, comments shall not be accepted with a disapproval.

Pertaining to an administrative ballot electronic vote, a disapproval may include a comment noting the reason for the disapproval.

Pertaining to a technical ballot electronic vote, a disapproval shall include a comment noting a technical reason for the disapproval. In the event of any dispute as to whether a ballot is or is not technical, or whether a disapproval comment reflects or does not reflect a technical objection, the executive director (for corporate ballots) or committee chair (for committee or subordinate group ballots) will make the final determination.

7.7.3 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 a meeting vote, abstention comments are accepted during the discussion period but not during voting.

Pertaining to an electronic election, comments shall not be accepted with an abstention.

7.8 Ballot Evaluation

7.8.1 Meeting Vote Evaluation

The following evaluation criteria apply to all meeting votes.

- An approval counts as an approval in the tally.
- A disapproval counts as a disapproval in the tally.

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

7.8.2 Electronic Vote Evaluation

The following evaluation criteria apply to all electronic votes.

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

7.9 Ballot Comments

All ballot comments shall be reviewed as part of the ballot evaluation process. A response to the commenter may or not be required. If a response to the commenter is required, it shall be finalized by the end of the next Standing meeting after the ballot closes. Staff shall be responsible for formatting and delivering the final response to the voter.

Corporate Ballots

Comments received in conjunction with a corporate ballot shall be reviewed by the Governance Panel chair. If the Governance Panel chair determines that a response is necessary, a draft response will be prepared and approved by the Governance Panel.

Committee Ballots

Comments received in conjunction with a committee ballot shall be reviewed in accordance with the committee's Operating Manual or another applicable committee policy. If the committee does not have specific policy related to ballot responses, the comments shall be reviewed by the committee chair. If the committee chair determines that a response is necessary, the chair shall assign responsibility for preparing and approving a response to the appropriate group within the committee.

Subcommittee Ballots

Comments received in conjunction with a subcommittee ballot shall be reviewed in accordance with the subcommittee's Constitution, the committee's Operating Manual, or another applicable policy. If neither the subcommittee nor the committee have specific policy related to ballot responses, the comments shall be reviewed by the subcommittee chair and the committee chair. If the chairs jointly determine that a response is necessary, the subcommittee chair shall assign responsibility for preparing and approving a response to the appropriate group within the subcommittee.

Constituent and Participant Ballots

Constituent and Participant ballots apply to several levels of the organizational hierarchy, if a particular scenario for handling comments is not included herein, either the board chair or the appropriate committee chair shall make any necessary determination and subsequent assignment to ensure appropriate responses.

8 Straw Polls

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

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

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

9 Matters Requiring Supermajority

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

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

10 Board of Directors

10.1 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 shall delegate the management of the corporation's business affairs and operations to the Executive Director, who shall have overall strategic and operational responsibility for staff, programs, expansion, and day-to-day execution. Board directors, including officers, desiring information or support from staff as defined herein, shall coordinate all communication through the Executive Director.

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

10.2 Board Responsibilities

In addition to overall responsibility for the corporation, the Board shall have the following specific responsibilities:

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

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

10.3 Director Responsibilities

In addition to the overall Board responsibilities listed above, 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 have the responsibility of serving as the liaison between the ASC Steering Committee (“Steering”) and the Board.

10.4 Number of Directors

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

10.5 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 position counts as a member seat for this calculation.
- Only one (1) *elected* director may be seated from any organization. If an elected director’s employment changes during their term, and the change results in one organization employing more than one elected director, one of the elected directors must immediately resign their position. Ex-officio directors are excluded from this restriction.

- 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.
- For organizational continuity, 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. The individual shall not retain the Board Chair position during this period.

10.6 Election of Directors

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

Directors may be re-elected for additional terms without term limits.

10.7 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. Term begin and end dates are specified in ***Board Elections (CAP08)***.

The Board will maintain an approximately equal number of directors in each group by re-assigning elected director(s) to the other election cycle when necessary. Such a reassignment shall have the effect of lengthening, not shortening, the re-assigned director's current term.

10.8 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. A resignation shall take effect when the notice is delivered unless a later date is specified in the notice. If a later date is specified in the notice, the Board may choose to honor the later date or to make the resignation effective immediately.

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

10.9 Vacancy on Board

Board vacancies can result from having fewer candidates elected than the number of available seats, from resignations, or from removals.

Unless a vacancy results in fewer than the minimum number of directors, the seat shall remain vacant until the next regular election cycle.

If a vacancy results in fewer than the minimum number of directors, the Chair shall appoint, and the Board shall confirm, individuals such that the minimum number of directors is maintained. Such an appointment shall be for a one-year term. Individuals who previously served as directors shall have preference for such appointments.

10.10 Annual and Regular Board Meetings

The corporation shall hold an annual Board meeting to determine the regular Board meeting schedule and transact other corporate business. 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 regular Board meetings per the schedule determined at the annual meeting or at the discretion of the Board Chair.

Advance meeting notice is required to convene Board meetings. Meeting notices shall be delivered verbally at the previous Board meeting, in the minutes of such a meeting, or electronically via the Board's collaboration tool. Generally, the Board shall be provided notice of a meeting at least three (3) days in advance. However, in unusual circumstances, the Board may agree to waive the notice requirement so that a meeting can be convened sooner.

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.

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

10.11 Board Norms

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

- Quorum for the Board shall be 50% of the eligible voters
- Motions do not require a second
- Directors 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.

10.12 Board Actions Requiring Supermajority

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

- Amendments to the Articles of Incorporation or the Bylaws
- Approval of a corporate ballot to remove a director
- Approval of a corporate ballot to terminate the corporation
- 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
- Temporary suspension of a corporate Rule of Order or Standing Rule

11 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 position's 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.

11.1 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 X12 to external organizations, except when the Executive Director is assigned to act as the spokesperson
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
- Ensuring the corporate policies and procedures are maintained and followed
- Working directly with the Executive Director to implement the Board's organizational direction
- Signing or executing deeds, mortgages, bonds, contracts or other instruments on behalf of the corporation, as authorized by the Board, except in cases where the signing and execution thereof is expressly delegated to the Executive Director

Board Vice Chair Responsibilities

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

Board Secretary Responsibilities

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

11.2 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.

11.3 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.

12 Executive Director and Staff

12.1 Executive Director

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

The Executive Director shall be the chief executive officer of the corporation and shall report only to the Board. The Executive Director is responsible for management and general supervision of the business affairs and operations of the corporation and has overall strategic and operational responsibility for staff, programs, expansion, and day-to-day execution. Subject to the direction of the Board, the Executive Director's specific responsibilities shall include, but are not limited to the following.

- Providing broad leadership and direction to the corporation
- Serving as the corporation spokesperson, communicating X12 positions and representing X12 to external organizations, except when the Board Chair is acting in the spokesperson capacity

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

12.2 Staff

The X12 staff is comprised of X12 employees and contracted associates, managed by the Executive Director, who have duties and perform tasks as necessary to operate the X12 organization, including the corporate business matters and the standards development matters.

The Executive Director shall identify the duties and responsibilities of individual staff members and shall amend those duties and responsibilities as necessary.

13 Committees

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

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

13.1 X12 Ad Hoc Committees

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

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

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

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

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

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

13.2 X12 Standing Committees

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

13.2.1 Executive Committee

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

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

13.2.2 Accredited Standards Committee

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

Steering Committee

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

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

13.2.3 Registered Standards Committee

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

The Council

The Council is established as a standing action committee within the RSC. The Council is responsible for oversight of the RSC.

At start-up, the RSC and the Council shall be convened by an appointed Chair, with the Executive Director serving as Vice Chair. The Board Chair shall appoint the RSC Chair, who shall not serve on the Board nor the ASC Steering Committee. These officers shall retain authority until at least three subcommittees are organized and functioning within the RSC and the Board determines that the committee has sufficient participation to support officer elections. At

the appropriate time, committee officer elections will be conducted in accordance with ***Committee Officer Elections (CAP09)*** and the ***RSC Operating Manual (RSC101)***, except that the inaugural terms shall be from election until the end of the Fall Standing Meeting in the next even-numbered year.

Following the first officer elections, the Council shall be led by the RSC Chair and Vice Chair. These officers shall be elected by the RSC stakeholders per the provisions of ***Committee Officer Elections (CAP09)*** and the ***RSC Operating Manual (RSC101)***. Should circumstances arise such that there is no duly elected chair and no successor chair as defined in the RSC governance policies, the Board Chair shall appoint a convener to serve until a duly elected chair can be installed.

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

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

13.2.4 Governance Panel

The Governance Panel (TGP) is established as a standing action committee, responsible for corporate governance and vocabulary. The Board explicitly delegates the Governance Panel with authority to act on its behalf related to all corporate policy and procedural matters, except for approval of the corporate Articles and Bylaws. The TGP's purpose and scope statement is defined in ***The Governance Panel Purpose and Scope (CAP20)***. 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 (TGP201)***.

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.

14 Finance

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

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

15 Indemnification

15.1 Indemnification

Each person empaneled now or hereafter as 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.

15.2 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.

15.3 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.

16 Corporate Operations

The corporate shall adhere to the following operational policies.

16.1 Offices

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

16.2 Registered Agent

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

16.3 Maintenance of Tax Exempt Status

The corporation shall operate in a manner that is entirely consistent with its qualification for exemption from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986 (or corresponding provisions of any future United States Internal Revenue Law) as a trade association and/or business league within the meaning of Section 501(c)(6) of the Code. Accordingly, notwithstanding anything to the contrary in the Articles of Incorporation or these Bylaws, the corporation shall neither have nor exercise any power, nor shall it engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from Federal income taxation as an organization described in Section 501(c)(6) of the Code. In the event of the liquidation, dissolution, or winding up of this Corporation, whether

voluntary, involuntary, or by operation of law, except as may be otherwise provided by law, the Board of Directors shall have the power to dispose of the assets of the corporation in such manner as it, in its sole discretion, may determine; provided, however, that any such disposition shall be either (i) for one or more exempt purposes within the meaning of Section 501(c)(6) of the Code, or (ii) to the Federal government, or to a State or local government, for a public purpose.

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

16.4 Antitrust

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

16.5 Intellectual Property, Trademarks & Logos

The corporation will own and copyright all products created under the auspices of the corporation, including those defined within X12 committees and derivative works generated by X12 staff. To encourage use of the products, the corporation will permit and/or license use of copyrighted materials per the corporation's copyright, licensing, and fair use policies. Licensing fees shall be assessed when applicable per the licensing policies. The corporation will monitor use of copyrighted materials to assure appropriate dissemination and accurate reproduction and interpretation of those materials.

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

16.6 ANSI Accreditation

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

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

16.7 Books and Records

The corporation shall keep correct and complete books, records of accounts, and minutes of the proceedings of its Board and of any executive or other committee exercising any of the powers of the Board. The books, records, and minutes of the corporation may be in any form that can be converted within a reasonable time into written form for visual inspection. The original or a certified copy of the Articles of Incorporation shall be kept at the principal office of the corporation. All books, records, and minutes of the corporation may be inspected by any director, or his or her accredited agent or attorney, for any proper purpose at any reasonable time.

16.8 Loans

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

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

16.9 Compensation

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

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

16.10 Policies and Procedures

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

16.11 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.

16.12 Bylaw Amendments

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

17 Corporate Terms and Definitions

To ensure consistency across the organization, certain X12 terms and their approved definitions are maintained in an extensive online corporate reference tool, referred to as the **Wordbook**. Some Wordbook terms and definitions are specific to X12, others are incorporated from other recognized sources, such as Robert's Rules of Order. Wordbook maintenance requests are accepted via X12's online maintenance request form. Such maintenance requests are processed in accordance with **Organizational Lingo (CAP15)**.

The terms and definitions included in the current Wordbook are hereby incorporated by reference into these Bylaws and carry the same authority as other Bylaws governance.

Wordbook terms and definitions shall be used in all X12 work products when applicable. The Wordbook terms and definitions shall not be modified within any X12 work product or by any other corporate or committee policy or procedure.

18 Document History

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

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