


**X12 Corporate Administrative
Policy and Procedure**

Board Elections (CAP08)

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Board Elections

1 Introduction

The X12 Board of Directors (Board) is responsible for this policy and associated procedures.

Members agree to be bound by these policies and to follow the associated procedures as a condition of membership. Non-members afforded specific collaboration privileges agree to be bound by these policies and to follow the associated procedures as a condition of those privileges.

Suggestions for improvements to this document are welcome. They may be submitted at <http://changerequest.x12.org>.

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

2 Authority

The corporate rules of order and standing rules detailed herein supplement the ***X12 Bylaws (CAP01)***. The Bylaws prevail in the case of any inconsistency.

The corporate rules of order and standing rules defined herein may be augmented by detailed or more restrictive committee or subordinate group instructions, published in documents identified with the X12 subcommittee's intended prefix; however, such instructions shall not duplicate, supersede, contradict, countermand, or overrule the corporate rules of order and standing rules defined herein. The corporate rules prevail in the case of any inconsistency.

3 Background

This policy/procedure defines the qualifications and criteria interested individuals must meet to be considered as a candidate for a Board seat and the means by which candidates are identified and elected to the Board.

4 Director Qualifications

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

Directors shall have the following attributes.

1. Enterprise Leadership Experience

A Director shall have extensive and relevant leadership experience including an understanding of the complex challenges of enterprise leadership.

2. Relevant Sector Experience

A Director shall have gained their leadership experience in sectors directly relevant to the organization's business, or in professional disciplines pertinent to the organization's key areas of interest.

3. Corporate Governance Experience

A Director must have sufficient corporate governance experience to understand fully the legal and other responsibilities of an independent director of a U.S. corporation.

4. Personal Characteristics

A Director must be of the highest moral and ethical character. A Director must exhibit integrity, vision, objectivity, and independent thought and judgement. A Director shall have specific qualities which support a substantial contribution to Board deliberations including intelligence, inter-personal skills, flexibility, and communication skills. A Director shall be highly regarded and respected by peers and subordinates. A Director shall have demonstrated a personal commitment aligned with the organization's key areas of interest.

5. Availability

A Director shall have, and be willing to commit, sufficient time to discharge the duties of Board membership.

6. Compatibility

A Director must be willing and able to develop a good working relationship with other Board members and with the organization's senior management.

7. Commitment

A Director must be committed to the mission and principles of the organization.

8. Education

A Director should hold at least an undergraduate degree from a respected college or university. However, an exceptional applicant who does not meet these educational criteria shall not be excluded from consideration.

5 Determining the Number of Open Seats

Approximately 100 days prior to the election, the Board shall determine the number of Board seats, member and unrestricted, to be filled in the next Board election.

A member seat must be filled by a qualified member representative. An unrestricted seat may be filled by any qualified individual, regardless of membership.

The number of open seats shall be determined in compliance with the requirements for board make-up included in the **Bylaws (CAP01)**. It is preferable for the Board to set the number of open seats such that the Board cannot be deadlocked, that is to say that there should be an

odd number of voting members of the Board.

6 Establishing the Election Committee

Each election will be overseen by an Election Committee. Approximately 90 days prior to the election, the Board shall select an Election Chair, who shall be a Board member. The Election Chair shall appoint at least two and not more than four individuals to the Election Committee. Each appointee must be a Board member or an X12 member's representative.

The Election Committee shall determine the slate of candidates and oversee the elections. The Election Chair shall announce the election results immediately after the votes are tallied.

The Election Committee shall be automatically disbanded 30 days after the election unless there is an active protest or dispute related to the election or the election results.

7 Call for Applications

Approximately 90 days prior to the election, staff will publish a call for board applications. The call shall be sent to the X12 membership via email announcement to each member's primary representative and shall be posted on the X12 website. The call may be distributed via other channels at the discretion of the Election Chair. The call will clearly state the candidate criteria, number of open member seats, number of open unrestricted seats, the term of office, the election date and the deadline for applications. The call will include a link to an online application. The application period will be at least 20 days.

This application process is the only mechanism for inclusion on the ballot, candidates are not added to the ballot after petitioning for inclusion via a member endorsement process or by a write-in process.

8 Candidate Criteria

In addition to having the attributes described in Section 1.4 Director Qualifications, applicants selected as candidates for the Board must meet the following criteria.

1. The applicant must either represent a member whose representatives are entitled to serve in elected positions or be a non-member with a vested interest in X12.
2. Only one candidate will be selected from any one organization, regardless of membership status.
3. There shall be only one elected Director from any one organization, therefore an applicant associated with an organization already represented by an elected director shall not be eligible for selection.
4. Immediate family members of a seated Board member are not eligible for selection.
5. Employees and family members of employees of an organization which has a contract with X12 are not eligible for selection.

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6. An applicant must submit an online application by the application deadline.

9 Application Vetting

After the application deadline, the Election Committee will select the slate of candidates from among the applicants. The Election Committee's deliberations are confidential and will not be disclosed. It is recognized that portions of this vetting are subjective and the Election Committee will make every attempt to evaluate applicants consistently.

The Election Committee shall evaluate each applicant as described below, in the context of the overall composition and needs of the Board, with the objective of recommending a group that best integrates with sitting Directors to manage the business and affairs of the organization. Based on this evaluation, the Election Committee may select fewer candidates than the number of open seats as determined in Section 1.5 Determining the Number of Open Seats.

The Election Committee will select a candidate slate based on the following:

1. Having the attributes described in Section 1.4 Qualifications and meeting all criteria listed in the Section 1.8 Candidate Criteria.
2. Evaluation of the balance between member representatives and non-members and individual and organizational members on both the slate and the potential resulting Board.
Balance herein indicates a reasonable division; it does not indicate exact numerical balance.
3. The candidate having sufficient X12 knowledge or experience to ensure an understanding of the organizational, political, and technical aspects of the organization.
4. The Board is committed to maintaining diverse representation. As such, selection will include an evaluation that assists in achieving a combination of that represent a diversity of background, experience and viewpoints, on both the slate and the potential resulting Board.
However, candidates shall not be chosen nor excluded solely or largely because of race, color, gender, national origin or sexual orientation or identity.
5. Preference shall be given to applicants with experience as an executive or senior officer of a major public corporation, especially with a background in marketing, finance and/or business operations.
6. Preference shall be given to applicants with proven experience in nonprofit governance.
7. Preference shall be given to applicants with executive experience in a highly regulated industry.
8. The overall ability and experience of individual applicants.

All applicants, including those not selected for inclusion on the slate, will be notified of the final

slate before the slate is announced to the membership.

10 Announcing the Slate

The slate of candidates will be announced to members timely per the **Bylaws (CAP01)**. The information will also be posted on the X12 website. The announcement will include the election date and time, the slate of candidates with a link to the candidate statements, the number of seats to be filled by members, the number of unrestricted seats to be filled, the term of office and the requirements for proxy assignment with a link to the proxy assignment web form.

For consistency, the proxy assignment form used for other member ballots will be utilized with no revisions to policy or presentation.

11 The Election

The Executive Director will ensure all materials required for the election are prepared in advance and available at the election.

Each X12 member is entitled to one vote for each open seat, to be cast by the member's primary representative, properly assigned alternate representative or proxy holder.

The Election Chair will conduct the election. Under the direction of the Election Chair, staff will tabulate the ballots.

The Election Chair will have the final decision on any issues related to the execution of the election.

If there are fewer candidates than open seats, announced seats will remain unfilled.

If there are fewer candidates than open seats or an equal number of candidates and open seats, the Election Chair may entertain a motion to declare the candidates elected by unanimous consent (commonly referenced as acclamation).

After accepting such a motion and a second, the Nominating Officer shall call for objections from the voting members present. If no objection is raised by a voting member, the Nominating Officer shall declare the candidate(s) elected by unanimous consent.

Absent election by unanimous consent, seats are awarded based on total votes received, so long as the total vote count for the candidate equals or exceeds a simple majority of the ballots cast, excluding abstentions.

First, member seats will be filled by candidates who are members; with each open member

seat filled in turn by the member candidate who has the most votes and has not yet been awarded a seat.

Then, each unrestricted seat will be filled in turn by the remaining candidates who received the most votes, regardless of membership status.

Ties will be immediately resolved as determined appropriate by the Election Chair.

When voting is complete, the Election Chair will announce the election results and inform the assembly that any dispute concerning the election must be submitted to the Executive Director within 15 days.

The Executive Director will retain all tally sheets and ballots at least 30 days after the election in case it is necessary to respond to a dispute concerning the results.

If no dispute is in process, the tally sheets and ballots shall be destroyed on the 31st day after the election.

12 Assuming Office

The newly elected Board members will assume office at the conclusion of the meeting at which the election was held, contingent upon fulfilling any requirements in the X12 Bylaws.

13 Terminology

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.

Administration

A group of X12 or contracted staff members, 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

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.

Committee

A 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. In 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.

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.

Member

An entity that has completed an application, paid the applicable dues and been granted X12 membership for a specific period of time. 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 constituents, not members.

Member Representative

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

Primary Representative

The individual named as the official liaison between X12 and a member. 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, and votes on behalf of the member in corporate ballots. All members are required to name a primary representative.

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 designated representatives.

Rules of Order

An organization's rules of order govern parliamentary matters. X12 defines rules of order at four organizational levels, corporate, committee, subcommittee, and subordinate group.

Standing Rules

An organization's administrative governance, including all matters not related to parliamentary procedure. X12 defines rules of order at four organizational levels, corporate, committee, subcommittee, and subordinate group.

Wordbook

The repository housing X12's organizational lingo.

X12 Board

A group of elected and ex-officio leaders who oversee the business affairs of X12.

14 Document History

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

Approved	Description
10/25/2016	V4: Revised to expand the qualifications, vetting, and voting sections.
12/08/2015	V3: Revised to add details to the balloting procedure, revise timeframes for more flexibility.
01/21/2015	V2: Revised for clarity and simplicity.
11/18/2013	Initial version approved.