

BYLAWS
OF
ILLINOIS POLICE OFFICERS'
PENSION INVESTMENT FUND

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**BOARD OF TRUSTEES OF THE
ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**

BYLAWS

PART I GENERAL PROVISIONS

§101 Purpose

The purpose of the Bylaws adopted by the Board of Trustees of the Illinois Police Officers' Pension Investment Fund (ILPOPIF) (hereinafter "the Board") established under Article 22B of the Illinois Pension Code, is to establish uniform procedures for conducting meetings, establishment of committees, election of officers, and running the day to day business of the Board.

§102 Definitions

As used in these Bylaws, the terms set forth below shall have the following definitions and meanings, except when the context of the Bylaw specifies and requires a different meaning:

Definitions of Fund: The term "Pension Fund" or "ILPOPIF" shall refer to the Illinois Police Officers' Pension Investment Fund created by 40 ILCS 5/22B-101 *et seq.*

Definitions of Board: The term "Board" or "Pension Board" shall refer to the Board of Trustees of the Fund created by 40 ILCS 5/22B-115(a), unless otherwise stated.

PART II ADMINISTRATION

§201 Composition of the Board

The Board shall consist of nine (9) Trustees as set forth in §5/22B-115(a) of the Illinois Pension Code.

The Board members shall serve until the initial Permanent Board members are elected and qualified. The Board of Trustees shall consist of nine (9) members as follows:

(1) Three (3) members who are mayors, presidents, chief executive officers, chief financial officers, or other officers, executives, or department heads of municipalities that have participating pension funds and are elected by the mayors and presidents of municipalities that have participating pension funds.

(2) Three (3) members who are participants of participating pension funds and are elected by the participants of participating pension funds.

(3) Two (2) members who are beneficiaries of participating pension funds and are elected by the beneficiaries of participating pension funds.

(4) One member recommended by the Illinois Municipal League who shall be

appointed by the Governor, with the advice and consent of the Senate.

The Board of Trustees shall select the Chair of the Permanent Board of Trustees from among the Trustees for a term of two (2) years. The holder of the Office of Chair shall alternate between a person elected or appointed under item (1) or (4) of this section and a person elected under item (2) or (3) of this section

§202 Compensation

Trustees may not receive any compensation for services performed as Trustees, but may be reimbursed for travel expenses incurred while on business for the Board, consistent with policies and procedures established by the Board.

§203 Meetings

- a) The Board shall hold at least four (4) quarterly meetings each calendar year. The Board will schedule the meetings for the following year, at its fourth quarterly meeting.
- b) The Board may agree to hold additional meetings as necessary for the prudent and efficient administration of the affairs and activities of the Pension Fund, at the request of the Chair or at least three (3) other Trustees.
- c) All meetings and notices shall be held in accordance with the Open Meetings Act, 5 ILCS 120/1 *et seq.*

§204 Emergency/Special Meetings

- a) The Chair or at least three (3) other Trustees may call special meetings.
- b) In the event of a *bona fide* emergency, upon reasonable notice to all of the Board Trustees, an emergency meeting may be held with less than forty-eight (48) hours' notice. The Chair, or at least three (3) other Board Trustee may request an emergency meeting by serving written notice upon all other Trustees as soon as practicable, prior to the date and time of the emergency meeting.
- c) For purposes of this Section, a "*bona fide* emergency" shall mean an unforeseen combination of circumstances or the resulting state which calls for immediate action.

§205 Annual Meeting

The Annual Meeting of the Board shall be the first regular meeting held in the calendar year, unless otherwise agreed upon by the Board.

§206 Open Meetings

- a) All Board and committee meetings are open to the public, except for those matters lawfully conducted in closed session.
- b) Any person shall be permitted to address the Board during the public comment portion of the meeting, not to exceed three (3) minutes per person.

§207 Order of Business

All meetings of the Board shall be conducted under a properly posted Agenda. Business will be transacted in the order posted on the Agenda, unless the Chair directs otherwise. Any Trustee may place a matter on the Agenda.

§208 Quorum

- a) A quorum of the Board shall consist of six (6) Trustees. The approval of all Board business shall require the affirmative vote of at least five (5) Trustees at any given meeting, except;
- b) The following actions shall require the affirmative vote of at least six (6) Trustees: the adoption of actuarial assumptions; the selection of a chief investment officer; fiduciary counsel; of a consultant defined under Section 1-101.5 of the Illinois Pension Code; the adoption of rules for the election of trustees; and the adoption of asset allocation policies and investment policies.

§209 Fiscal Year

The Fiscal Year shall date from July 1 of one year to June 30 of the year next following.

§210 Audits and Reports

At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the Board, and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. An annual report shall be presented by the Board for submission to the participating pension funds and to the Department of Insurance within six (6) months after the close of each fiscal year.

PART III BOARD OFFICERS, EMPLOYEES, AND VENDORS

§301 Officers

The Officers of the Transition Board shall be the Chair, Vice-Chair, Secretary, and Treasurer. The Officers shall serve until the Permanent Board members are elected and qualified.

§302 Duties of the Chair

The Chair shall preside over all functions and duties of the Board, unless such functions or duties are specifically delegated to other Trustees, employees, or agents of the Board. The Chair shall preside over all meetings of the Board and may execute all orders, certificates, and other documents necessary to carry out the affairs and activities of the Board.

§303 Duties of the Vice-Chair

The Vice-Chair shall perform the functions and duties of the Chair during any vacancy in that office or during any such time the Chair is unable to perform his or her duties. The Vice-Chair shall serve as Chair at any meeting of the Board in the absence of the Chair.

§304 Duties of the Secretary

The Secretary shall perform the following duties and functions: (1) be the custodian of all Board records, minutes of the meetings, and documentation; (2) record the minutes of all regular, special, and emergency meetings of the Board; (3) execute any and all documents on behalf of the Board; (4) certify the authenticity of all resolutions or documents of the Board; and (5) perform all other duties necessary to the administration of the Board. The Board may retain an independent contractor/vendor to perform some or all of these duties.

§305 Duties of the Treasurer

The Treasurer shall have custody of funds of the Pension Fund. The Treasurer shall have the authority to open, maintain, and close bank, depository, brokerage, and other accounts for depositing, keeping, expending, and investing funds of the Pension Fund in accordance with policies adopted by the Board. The Treasurer shall maintain financial accounts and records of the Pension Fund and report financial information to the Board regularly. The Board may retain employees or independent contractors/vendors to perform some or all of those duties.

§306 Executive Director

The operation and administration of the Fund shall be managed by an Executive Director. The Executive Director shall act subject to and under the supervision of the Board. The Board shall fix the compensation of the Executive Director. The Executive Director and personnel of the Board shall prepare agendas, materials, and required postings for the meetings of the Board. With the approval of the Board, the Executive Director may employ such personnel, professional or clerical, as may be desirable, and fix their compensation. The Executive Director may execute all orders, certificates, and other documents necessary to carry out the affairs of the Board. The Executive Director shall perform such duties and responsibilities as the Board establishes in its Rules. The Board shall adopt a budget to support its operations and administration.

§307 Chief Investment Officer

The Board shall have the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term. The Board may appoint a Chief Investment Officer (CIO). The Chief Investment Officer reports to the Board. The Chief Investment Officer is responsible for leading the management and operations of the Board's investment program. The Chief Investment Officer will work closely with the Executive Director to ensure the operations, management, and strategies of the Board are carried out in accordance with the Investment Policy Statement and other relevant policies and procedures.

§308 Election of Officers

The Board shall have a Chair, a Vice-Chair, a Secretary, and a Treasurer, each of whom will serve until the Permanent Board Officers are elected and qualified. Officers shall be elected at the annual meeting.

§309 Committees of the Board

The Board may from time to time create one or more committees. The Board shall appoint Trustees to serve on a committee. Each committee shall have three (3) or more Trustees. Each committee shall have at least one (1) member appointed from the active or beneficiary Trustees, one (1) Trustee appointed from the municipal Trustees, and one (1) Trustee appointed by the Chair. The Chair may appoint one (1) or more subject matter experts, or the Executive Director, to a committee, but those appointees shall not have any voting rights. The committee shall make recommendations to the full Board. Each member of a committee shall continue to serve until the next Annual Meeting, and may be reappointed to additional terms. The Board shall establish the following standing committees; the Election Committee and the Audit Committee. Special committees may be established from time to time as determined necessary by the Board.

§310 Contractors/Vendors

The Board may, in its discretion, retain independent contractors/vendors to carry out certain duties and functions of the Board. The duties of any such independent contractors/vendors and their compensation will be established in writing and reflected in the minutes of the Board meeting approving the relationship. All independent contractors/vendors will be retained on an at-will basis.

PART IV CONFLICTS OF INTEREST

§401 Conflicts of Interest and Ethics

No Trustee shall engage in any transaction or vote in any matter in which the Trustee shall receive any direct or indirect personal gain. However, (1) this shall not prohibit a Trustee from receiving any benefit to which the Trustee may be entitled as a participant or beneficiary in a retirement system or pension fund or (2) serving as a Trustee in addition to being an officer, employee, agent, or other representative of a "party in interest" as defined in §5/1-110(a) of the Pension Code.

§402 Disclosure of Conflicts

Prior to voting on any matter in which a Trustee would reasonably believe a conflict of interest exists, the Trustee shall publicly announce the conflict and refrain from voting. The conflict statement required by law shall be recorded in the minutes of the Board meeting. In determining whether a conflict exists, Trustees shall in all actions endeavor to avoid the appearance of impropriety.

PART V ELECTRONIC SIGNATURE

§501 Electronic Signature

Electronic Documents and Electronic Signatures.

- a) **Electronic Documents.** To the extent permitted by law including the Electronic Commerce Security Act (5 ILCS 175) and/or Executive Order, whenever these Bylaws require that a document, record or instrument be “written” or “in writing,” the requirement is deemed satisfied by an Electronic Record. "Electronic record" means a record generated, communicated, received, or stored by electronic means for use in an information system or for transmission from one information system to another.
- b) **Electronic Signatures.** To the extent permitted by law including the Electronic Commerce Security Act (5 ILCS 175) and/or Executive Order, whenever these Bylaws require a signature, an Electronic Signature satisfies these requirements only if: (i) the signature is easily recognizable as a Secure Electronic Signature, as defined by 5 ILCS 175/10-110, that is (a) capable of verification, (b) under the sole control of the signatory, and (c) attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (ii) the Board reasonably believes that the signatory affixed the signature with the intent to sign the Electronic Document, and the Electronic Document has not been modified since the signature was affixed. An "Electronic Signature" means a signature in electronic form attached to or logically associated with an electronic record, and includes a facsimile signature.
- c) **Verification.** The Board may verify any Electronic Signature or Document using a qualified security procedure. A qualified security procedure for purposes of this section is a security procedure to detect changes in the content of an electronic record that is previously agreed to by the parties. Pending verification, the Board may refuse to accept any Electronic Signature or Document that, in the Board’s sole discretion, is not clearly authentic. Once verified, the Board shall not be liable to any member or any other person for accepting or acting in reliance upon an Electronic Signature or Document that the Board reasonably believes to be authentic.

PART VI POLICIES AND PROCEDURES

Policies and Procedures

§601 The Board may adopt other policies and procedure as determined necessary by the Board.

PART VII AMENDMENTS

§701 Amendments

These Bylaws may be amended from time to time and shall require the affirmative vote of at least six (6) Trustees to be adopted.