



# Exclusion grounds and mandatory requirements

Procurement Reference: <To be completed>

Procurement of Funds: <To be completed>

Exclusion grounds and mandatory requirements

**Exclusion grounds****Criminal offences**

The Swedish Fund Selection Agency shall exclude a Fund Manager from participation in a procurement if THE SWEDISH FUND SELECTION AGENCY in some manner learns that the Fund Manager or the Investment Manager (if applicable) through a judgment that has entered into legal force has been found guilty of one of the following crimes:

1. criminal activity in the meaning of Article 2 in the Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organized crime,
2. corruption as defined in Article 3 in the Council Act of 26 May 1997 drawing up, on the basis of Article K.3 (2) (c) of the Treaty on European Union, the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, corruption in accordance with Article 2.1 in the Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector, or corruption in accordance with national provisions,
3. fraud within the meaning of Article 1 of the Convention drawn up on the basis of Article K.3 in the Treaty on European Union, on the protection of the European Communities' financial interests,
4. money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, in the wording of the Directive 2010/78/EU of the European Parliament and of the Council,
5. terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3, respectively, of the Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism, or inciting or aiding or abetting or attempting to commit an offence, as referred to in Article 4 of that Framework Decision, or
6. trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, in its original wording.

If the Fund Manager is a legal entity, the Fund Manager shall be excluded if a person included in the administrative, management or supervisory body of that Fund Manager or Investment manager has been found guilty of such crime. The same applies if the person found guilty of such crime has powers of representation, decision or control therein.



<b>Time limit to exclusion</b>
THE SWEDISH FUND SELECTION AGENCY may not allow a judgment that was rendered more than five years ago to be the basis for a decision on the exclusion of a Fund Manager according to what is stated above under “Criminal offences”.
<b>Unpaid taxes and social security contributions</b>
THE SWEDISH FUND SELECTION AGENCY shall exclude a Fund Manager from participation in the procurement if THE SWEDISH FUND SELECTION AGENCY in any way learns that the Fund Manager or the Investment Manager is in breach of its obligations relating to the payment of taxes or social security contributions in the country in which it is established or the country where the procurement occurs and this has been determined by a judicial or administrative decision that has entered into legal force.  THE SWEDISH FUND SELECTION AGENCY may exclude a Fund Manager from participation in the procurement if THE SWEDISH FUND SELECTION AGENCY can demonstrate by any other appropriate means that the obligations referred to in the first paragraph have not been observed.
<b>Other misconduct in regard to a Fund Manager’s operations</b>
THE SWEDISH FUND SELECTION AGENCY may exclude a Fund Manager from participation in procurement, if:
1. THE SWEDISH FUND SELECTION AGENCY can show that the Fund Manager or the Investment Manager is in breach of applicable environmental, social or labour law obligations,
2. the Fund Manager or the Investment Manager a) is bankrupt or is the subject of insolvency or liquidation proceedings, b) has its assets being administered by a liquidator or by the court, c) is in an arrangement with creditors, or d) has suspended its business activities or is in any analogous situation arising from a similar procedure under national laws and regulations corresponding to those in items a–c,
3. THE SWEDISH FUND SELECTION AGENCY can show that the Fund Manager or the Investment Manager is guilty of grave professional misconduct which renders its integrity questionable,
4. THE SWEDISH FUND SELECTION AGENCY has sufficiently plausible indications to conclude that the Fund Manager or the Investment Manager has entered into agreements with other economic operators aimed at distorting competition,



<p>5. the Fund Manager or the Investment Manager has shown significant or persistent deficiencies in the performance of a substantive requirement within a prior contract with the Swedish Pension's Agency which led to early termination of that prior contract, damages or other comparable sanctions,</p>
<p>6. THE SWEDISH FUND SELECTION AGENCY cannot avoid distortion of competition or cannot guarantee equal treatment of all Fund Managers for reasons of disqualification and this cannot be remedied by other, less intrusive measures than exclusion of the Fund Manager,</p>
<p>7. THE SWEDISH FUND SELECTION AGENCY cannot by other, less intrusive measures than exclusion of the Fund Manager, remedy a distortion of competition from the prior involvement of the Fund Manager in the preparation of the procurement procedure</p>
<p>8. the Fund Manager to a significant extent a) has been guilty of misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion from the procurement, or b) has withheld such information.</p>
<p>9. the Fund Manager has undertaken to unduly influence the decision-making process of THE SWEDISH FUND SELECTION AGENCY, to obtain confidential information that may confer upon its undue advantages in the procurement procedure or to negligently provide misleading information that may have a material influence on decisions concerning exclusion of Fund Managers, selection of Fund Managers that may be awarded the contract or contract award.</p>
<p>Time limit to exclusion</p>
<p>THE SWEDISH FUND SELECTION AGENCY may not allow an event that occurred more than three years ago to be the basis for a decision to exclude a Fund Manager in accordance with what is stated above under "Other misconduct in regard to a Fund Manager's operations".</p>
<p>Investigation</p>
<p>THE SWEDISH FUND SELECTION AGENCY shall, before it decides to exclude a Fund Manager, give the Fund Manager an opportunity to, within a certain time decided by THE SWEDISH FUND SELECTION AGENCY, make a statement on the circumstances which, according to THE SWEDISH FUND SELECTION AGENCY, are grounds for exclusion.</p>
<p>Exceptions from exclusion in certain cases</p>
<p>A Fund Manager encompassed by any of the grounds for exclusion under what is stated above under "Criminal offences" or "Other misconduct in regard to a Fund Managers operations" shall not be excluded if the Fund Manager can demonstrate its reliability by showing that it or the Investment Manager has:</p>



1. paid or undertaken to pay compensation in respect of any damage caused by the criminal offence or misconduct,
2. clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities, and
3. taken concrete technical, organizational and personnel measures that are appropriate to prevent further criminal offences or misconduct.
The measures taken by the Fund Manager or the Investment Manager shall be evaluated taking into account the gravity and circumstances of the criminal offence or misconduct.
A Fund Manager that has fulfilled its obligations regarding payment of taxes and social security contributions, including any interest accrued and fines, or has entered into a binding agreement on payment or similar, shall not be excluded under what is stated above under “Unpaid taxes and social security contributions”.
THE SWEDISH FUND SELECTION AGENCY may furthermore refrain from observing an obligation to exclude a Fund Manager, if this is motivated by overriding reasons relating to the public interest.
<b>Decisions on exclusion</b>
THE SWEDISH FUND SELECTION AGENCY may at any point during the procurement exclude a Fund Manager from participating in the procurement, if there are grounds for exclusion.
THE SWEDISH FUND SELECTION AGENCY shall promptly and in writing inform the Fund Manager of this decision and the reasons therefore.



Nr.	REQUIREMENTS ON THE FUND
	<p><b>Authorizations etc.</b> The fund must be a Swedish or foreign UCITS fund in accordance with Chapter 1, section 1 of the Swedish UCITS Act (2004:46) and must be supervised by the Swedish Financial Supervisory Authority or fulfil the criteria set out in the Swedish UCITS Act to be marketed to non-professional investors in Sweden.</p>
	<p>The fund may not be traded on an exchange, so called “ETF”, or invest more than ten percent of the Fund’s assets in other funds (fund of fund according to the Fund Agreement’s list of definitions).</p>
	<p>[The Fund must fulfil the requirements as described in the Investment Guidelines]</p>
	<p><b>Distribution of funds to others than the unit owners</b> The fund, according to its fund rules, must not be able to distribute funds to anyone other than the unit owners.</p>
	<p>The Fund Manager shall, at any point in time, conduct its operations within the premium pension sector and the fund operations in general in accordance with applicable laws and regulations.</p>
	<p><b>Investments in own funds</b> The fund may not invest in other funds managed by the fund manager or in funds managed within its Group of Companies.</p>
	<p><b>Management fee</b> The Fund Manager shall apply a fixed management fee.</p>
	<p><b>REQUIREMENTS ON THE FUND MANAGER</b></p>



	<p><b>Business history</b> The Fund Manager and any Investment Managers shall, with the exception stated below and calculated backwards from the last day to submit the tender, have been licensed to engage in fund activities from the relevant supervisory authority and have managed one or more funds covered by the UCITS Directive during a consecutive period of at least three (3) years. Where the license to conduct fund activities has been held for less than three years, an exception from the relevant requirement may be granted if THE SWEDISH FUND SELECTION AGENCY finds that fund management and related business as conducted by the Fund Manager or Investment Manager at the time of submission of the tender, for example as a result of a reorganization within the Group of Companies, nevertheless can be considered as having been conducted for at least three years.</p>
	<p><b>Experience from the procured category</b> The Fund Manager and any Investment Managers shall have managed funds within the same category as is covered by this procurement during a consecutive period of at least three (3) years during the last five (5) years, calculated backwards from the last day to submit the tender.</p>
	<p><b>Requirement on minimum assets under management</b> Each of the Fund Manager and the Investment Manager shall have had at least SEK 5 billion in total assets under management (including both mandates and own funds). as of 31 December 2022.</p>
	<p><b>IT and Cybersecurity</b> Each of the Fund Manager and the Investment Manager shall have implemented policies, guidelines and routines regarding IT and cybersecurity such as ISO27001 standard or NIST Cybersecurity framework and other security issues that are in line with best market practice, including among others appropriate and regular cybersecurity training of its employees.</p>
	<b>REQUIREMENTS ON SUSTAINABILTY</b>

	<p><b>UNPRI</b> All Fund Managers and Investment Managers, which in any part perform investment management in the fund or other funds in which the fund invests, shall have signed and be subject to the UN Principles for Responsible Investment (PRI), or be subject to the signing of PRI principles made by the Fund Manager's or the Investment Manager's Group of Companies.</p>
	<p><b>UN Global Compact, UNGPs and OECD MNE Guidelines</b> The Fund Manager and any Investment Managers shall certify they have processes in place to identify and assess if portfolio holdings, existing or potential, are associated with violations of any of the ten principles of the Global Compact, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights (UNGPs). Each of the Fund Managers and any Investment Managers shall also certify they have processes in place to act in their capacity as an investor upon any identified violation in holdings.</p> <p><b>Norm-based exclusions</b> The Fund Managers and any Investment Managers must be able to accommodate exclusion of portfolio entities that</p> <ul style="list-style-type: none"> <li>- produce, store, trade, or use anti-personnel mines as defined by the UN Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction</li> <li>- produce, store, trade, or use cluster munitions as defined by the UN Convention on Cluster Munitions</li> <li>- produce, store, trade, or use biological weapons as defined by the UN Convention on the Prohibition of Development, Production, Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction</li> <li>- produce, store, trade, or use biological weapons as defined by the UN Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction</li> <li>- are involved in nuclear programs as defined in the UN Treaty on the Non-Proliferation of Nuclear Weapons (NPT).</li> <li>- are subject to prevailing EU or UN sanctions</li> </ul>



	<p>SFDR classification</p> <p><b>The Fund shall</b> promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics (so called article 8 fund) or shall have sustainable investment as its objective and an index designated as a reference benchmark (so called article 9 fund) according to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).</p>
	<p>Engagement policy (Ownership and voting policy)</p> <p>The Fund Manager shall certify that it has developed an engagement policy that describes how it integrate shareholder engagement in its investment strategy for the offered Fund. The policy appears from Chapter 2 section 17 h of the Swedish UCITS Act (2004:46) (the "Act") which provision implements into Swedish law Article 3g of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholders engagement (the "Directive"). The Fund Manager shall on an annual basis publicly disclose how the aforementioned policy has been implemented. The contents of the disclosure appear from Chapter 2 section 17 i of the Act and Article 3g of the Directive. The Fund Manager shall not have availed itself from the option in the Act or the Directive to refrain from meeting one or more of the requirements in paragraphs 17 h and 17 i of the Act or the corresponding provisions of the Directive.</p>
	<p>Domicile etc.</p> <p>The EU Commission has adopted the EU's list of non-cooperative jurisdictions, as well as the EU's list of high-risk third countries (collectively the "EU Lists"). The EU Lists change over time. Neither the Fund Manager, any Investment Manager nor the fund may be incorporated, registered or otherwise domiciled in a jurisdiction included in either of the EU Lists. The EU Lists are attached to the procurement documents.</p> <p>Fund Managers must submit evidence of the jurisdictions in which it, Investment Managers and the fund are incorporated, registered or domiciled.</p>
	<p><b>SANCTIONS, ESPECIALLY ON THE EFFECT OF SANCTIONS DECIDED BY THE EU</b></p>



	<p>&lt;The Fund Manager must certify that no member of the senior management, member of the board or owner of more than 1% of the Fund Manager or any parent organization (with ownership in excess of 1%) are subject to sanctions (UN, OFAC-US) <i>To be completed by THE SWEDISH FUND SELECTION AGENCY</i>&gt;</p>
	<p>The EU has imposed sanctions on Russia and Belarus in response to Russia's aggression against Ukraine.</p>
	<p>The sanctions include a ban on:</p> <ul style="list-style-type: none"><li>- making payments etc. to certain listed persons and organizations (freezing of assets).</li><li>- import, purchase and transport certain listed goods (import ban).</li></ul> <p>The sanctions include some limited possibilities for exceptions.</p>
	<p>Contracting authorities must comply with the provisions on sanctions and may not make payments, directly or indirectly, to operators subject to these sanctions (i.e. included in the lists of sanctions). Contracting authorities may not directly or indirectly import goods and services subject to the sanctions in question. THE SWEDISH FUND SELECTION AGENCY has decided to follow the same or equivalent rules as those applicable to contracting authorities in this procurement.</p>
	<p>The Fund Manager must therefore certify that neither the tenderer nor the envisaged contractual relationship is, directly or indirectly, subject to the sanctions against Russia and Belarus decided by the EU.</p>
	<p>The certification includes that the Fund Manager confirms that he:</p> <ul style="list-style-type: none"><li>- whether directly or indirectly is subject to the sanctions</li><li>- will not use subcontractors etc. subject to the sanctions, or invoke the capacity of such operators in the procurement</li><li>- will not, within the framework of the contractual relationship, participate in the purchase, import or transport of products and services subject to EU import restrictions.</li></ul>



	<p>The Fund Manager certifies that he will inform:</p> <ul style="list-style-type: none"><li>- THE SWEDISH FUND SELECTION AGENCY as well PPCmetrics AG without delay if the Fund's legal status, ownership or representation before the award decision changes in such a way that the award of contracts to it is no longer possible, taking the sanctions decided by the EU, or other entity, into account.</li><li>- THE SWEDISH FUND SELECTION AGENCY as well PPCmetrics AG without delay if there is reason to suspect that the circumstances are such that a subcontractor or an undertaking invoked is subject to sanctions.</li></ul>
	<p>The Fund Manager certifies that he will cooperate fully in matters relating to the enforcement of the sanctions and provide the necessary information in this regard.</p>
	<p>The Fund Managers certifies that reporting to THE SWEDISH FUND SELECTION AGENCY of all of the Fund's transactions will be made on an ongoing basis and with such interval and delay as follows from the provisions of the Fund Agreement.</p>
	<p>The Fund Managers certifies that reporting to THE SWEDISH FUND SELECTION AGENCY of the Fund's assets will be made on an ongoing basis and with such interval and delay as follows from the Fund Agreement</p>
	<p>The Fund Managers certifies that reporting to THE SWEDISH FUND SELECTION AGENCY of the Fund's assets will be made on an ongoing basis and with such interval and delay as follows from the Fund Agreement</p>
	<p>OTHERS</p>
	<p><b>Validity of the tender</b> The Fund Manager confirms that the tender submitted is valid at least six (6) months after the deadline to submit a tender. If the procurement is subject to a judicial review, the Fund Manager shall be bound by its tender until the later of 60 days after the final and binding decision or judgment on the review is available and legally effective.</p>
	<p><b>Acceptance of the Fund Agreement</b> The Fund Manager agrees, without reservation, to the terms and conditions stated in the Fund Agreement including its appendices.</p>