

Official Gazette of the Republic of Slovenia, no. 6/2011, 60/2017 and 11/2018

Memorandum of Association of the Housing Fund of the Republic of Slovenia as a public fund

Pursuant to Articles 4 and 5 in connection to Article 52 of the Public Funds Act (Official Gazette of the Republic of Slovenia nos. 77/08 and 8/10 – National Farm Land and Forest Fund Act -B) and Article 146 of the Housing Act (Official Gazette of the Republic of Slovenia nos. 69/03, 18/04 – Protection of Buyers of Apartments and Single Occupancy Buildings Act, 47/06 – ZEN, 45/08 – Act on the Acquisition of the Strata Title of a Part of a Building on the Proposal of the Owner and on Determining the Land Belonging Thereto, 57/08 and 62/10 – Exercise of Rights to Public Funds Act) the Government of the Republic of Slovenia adopted articles (Act of establishment)

MEMORANDUM OF ASSOCIATION
of the Housing Fund of the Republic of Slovenia as a public fund

I. GENERAL

1. Association

Article 1

The Housing Fund of the Republic of Slovenia, Public Fund (hereinafter referred to as: the Fund), incorporated in accordance with the Housing Act (Official Gazette of the Republic of Slovenia nos. 18/91-I, 19/91-I – amended, 9/94 – Decision of the Constitutional Court, 21/94, 29/95 – Act on the Takeover of State Functions performed until 31 December 1994 by Municipal Bodies, 23/96, 24/96 – Decision of the Constitutional Court, 44/96 – Decision of the Constitutional Court, 1/00 and 1/00 – Decision of the Constitutional Court) and the Public Funds Act (Official Gazette of the Republic of Slovenia no. 22/00, 126/07 – Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act and 77/08 – Public Funds Act -1) pursuant to this Memorandum continues its operation as a public fund in accordance with the Public Funds Act (Official Gazette of the Republic of Slovenia nos. 77/08 and 8/10 – National Farm Land and Forest Fund Act -B; hereinafter referred to as: Public Funds Act -1), the Housing Act (Official Gazette of the Republic of Slovenia nos. 69/03, 18/04 – Protection of Buyers of Apartments and Single Occupancy Buildings Act, 47/06 – ZEN, 45/08 – Act on the Acquisition of the Strata Title of a Part of a Building on the Proposal of the Owner and on Determining the Land Belonging Thereto, 57/08 and 62/10 – Exercise of Rights to Public Funds Act; hereinafter referred to as: Housing Act-1) and this Memorandum of Association.

Article 2

The fund is incorporated for an indefinite period of time.

Article 3

(1) The Fund is a public-law entity with right, obligations and responsibilities set forth in Public Funds Act -1, Housing Act-1 and this Memorandum.

(2) The Fund is the subject of entry into the court register at the District court of Ljubljana, with registration number 5539153.

2. Founder

Article 4

- (1) Republic of Slovenia is the founder of the Fund.
- (2) Rights and obligations of the founder are carried out by the Government of the Republic of Slovenia (hereinafter referred to as: the Government), with which competences of the founder are prescribed with housing and public funds regulations.
- (3) The Fund falls into the field of work of the ministry competent for environment and spatial planning (hereinafter referred to as: the ministry).
- (4) The founder is subsidiary liable for the obligations of the Fund arising from loans that are not secured with a government guarantee and such loans cannot exceed 20% of the Fund's capital.
- (5) The founder of the Fund is not liable for other obligations of the Fund.

3. Company name and registered address

Article 5

- (1) Company name of the Fund is: Stanovanjski sklad Republike Slovenije, javni sklad.
- (2) Abbreviated company name of the Fund: Stanovanjski sklad RS.
- (3) Company name of the Fund in English is: Housing Fund of the Republic of Slovenia, Public Fund.
- (4) Abbreviated company name of the Fund in English is: Housing Fund.

Article 6

- (1) The registered address of the Fund is in Ljubljana.
- (2) The address of the Fund is: Poljanska cesta 31, 1000 Ljubljana.
- (3) A change of the Fund's address does not constitute an amendment of this Memorandum.

Article 7

- (1) In addition to its company name the Fund also uses its service mark, registered at the office competent for protection of industrial property, in its operations.
- (2) The Fund has a stamp which is of upright, rectangular form. The stamp includes the abbreviated company name of the Fund and its mark.

II. PURPOSE AND ACTIVITY

Article 8

In the interest of the state, the Fund works in the whole country, and in accordance with its business policy, finances and implements the national housing program, promotes housing construction, renovation and maintenance of housing and residential buildings, and for this purpose acquires and manages long-term capital investments.

Article 9

- (1) In accordance with the Decree on the Standard Classification of Activities (Official Gazette of the Republic of Slovenia nos. 69/07 and 17/08; hereinafter referred to as: the Decree) 64.920 Other credit granting is the main activity of the Fund.
- (2) In accordance with the methodology from the Decree on the Standard Classification of Institutional Sectors (Official Gazette of the Republic of Slovenia no. 13/06) the Fund is classified

under code 13112 – State funds.

Article 10

The Fund carries out the tasks referred to in Article 8 of this Memorandum as part of the following activities in accordance with the Decree:

- K64.920 Other credit lending,
- K64.990 Other financial service activities, except insurance and pension funding n.e.c.,
- F41.100 Development of building projects,
- L68.100 Buying and selling of own real estate,
- L68.310 Real estate agencies,
- L68.200 Renting and operating of own or leased real estate,
- L68.320 Management of real estate on a fee or contract basis.

III. OPERATIONS

Article 11

The Fund operates in accordance with the general terms and conditions published on its websites.

III.a MANAGEMENT OF CAPITAL INVESTMENTS

Article 11 a

(1) The supervisory board of a company, whose business share is owned by the fund, has five members.

(2) The members of the Supervisory Board of a company, the business share of which is owned by the Fund, shall be appointed by the Government, as follows:

- two representatives of the ministry responsible for space, who are experts in housing, construction or spatial planning,
- one representative of the ministry responsible for finance, who is an expert in accounting and finance,
- one representative of employees in the company,
- one representative of the service users of the company.

(3) The Government shall adopt the business and financial plan and report on the work of a company the business share of which is held by the Fund. "

IV. ASSETS

1. Purposeful assets

Article 12

(1) The Fund shall disclose dedicated assets in accordance with assigned assets.

(2) Assigned assets shall be entered in the court register.

(3) The value of the fund's assets as at 1 September 2017 amounts to EUR 399,090,842.00 and is entered in the court register.

(4) The Trust Fund consists of:

- fund of dedicated assets for intangible long-term assets and tangible fixed assets,
- fund of dedicated assets for long-term financial investments and long-term loans and long-term receivables,
- fund of dedicated assets for long-term inventories and other purposes.

Article 13

The fund manages its purposeful funds in accordance with the purpose for which it was incorporated and with due care.

2. Reserve Fund

Article 13a

Depending on the types of assets, the Fund has a reserve fund consisting of:

- reserve fund for credit risk,
- reserve fund for housing,
- reserve fund for free use housing,
- reserve fund for the smooth operation and future development of the fund.

V. BODIES OF THE FUND

1. General

Article 14

Bodies of the Fund are the Supervisory Board and the Director.

2. Supervisory Board

Article 15

(1) The Supervisory Board has five members.

(2) The government appoints the members of the Supervisory Board at the proposal of the competent minister, namely:

- two representatives of the ministry who must be experts in the field of housing or in the field of spatial management, spatial planning and construction of residential buildings,
- a representative of the ministry competent for finance who must be an expert in accounting and finance,
- one member from the beneficiaries or users of the Fund's services,
- one member dealing with legal matters who must be an expert in real estate.

(3) The term of office of the Supervisory Board members is four years with the possibility of reappointment.

Article 16

In addition to the competences the Supervisory Board has in accordance with the public fund law, it also carries out the following tasks:

- decides on public procurements for long-term housing loans,
- provides proposals and opinions on individual questions to the founder and the Director,
- gives consent to conclusion of sales-purchase agreements where the contractual value exceeds two million Euros,
- reviews reports on individual transactions regarding the Fund's purposeful assets and other matters connected with the Fund's operations,
- grants consent for borrowing.

Article 17

The Supervisory Board adopts the Rules of Procedure of its work in which it defines the manner of work, reference, management and other questions connected with the operation of the Supervisory Board more into detail.

3. Director

Article 18

(1) The Fund is managed and represented by the Director.

(2) The Director is appointed for the period of four years and discharged from his/her obligations by the founder.

Article 19

A person who has the capacity to contract and complies with the conditions stipulated by the law governing public funds may be appointed the Director of the fund.

Article 20

(1) In addition to competences the Director has in accordance with the law governing public funds, the Director also has the following competences:

- publishes legal acts on individual issues for which the Fund is competent,
- adopts measures to ensure economic viability and liquidity of the Fund and proposes corrective measures,
- adopts and carries out measures for carrying out developmental guidelines in accordance with key business policies of the Fund,
- decides on the internal control system with the consent of the Supervisory Board,
- reports to the Supervisory Board on business policy and other questions related to the operating activities,
- reports on individual transactions regarding the purposeful assets of the Fund or other matters regarding the operating activities at the request of the Supervisory Board,
- defines internal measures for classification of active and off-balance-sheet items according to the risk of investments,
- gives proposals and carries out the Supervisory Board's decisions,
- prepares materials and takes part in Supervisory Board meetings,
- decides on the Fund's borrowing with the consent of the Supervisory Board,
- carries out other tasks stipulated by the law and this Memorandum.

Article 21

Pursuant to the decision on appointment the Chairman of the Supervisory Board concludes an employment agreement with the Director which the Supervisory Board unanimously confirms prior to its signing.

VI. TRANSITIONAL AND FINAL PROVISIONS

Article 22

General terms and conditions of the operating activities of the Fund, the Rules on systematization

and internal organization of job classification and the Rules of Procedure of the Supervisory Board are adopted within six months of the date when this Memorandum enters into force.

Article 23

(1) Pursuant to this Memorandum the general terms and conditions of the operating activities of the Fund, the Rules on systematization and internal organization of job classification and the Rules of Procedure of the Supervisory Board adopted based on the Memorandum of Association of the Housing Fund of the Republic of Slovenia as a public fund (Official Gazette of the Republic of Slovenia nos. 96/00, 8/04, 80/04 and 17/06) are still in force until the Fund's acts enter into force.

(2) Bodies of the Fund, appointed based on the Memorandum of Association of the Housing Fund of the Republic of Slovenia as a public fund (Official Gazette of the Republic of Slovenia nos. 96/00, 8/04, 80/04 and 17/06), continue their work as the Fund's bodies in accordance with this Memorandum until the period, for which they were appointed, expires.

Article 24

On the day this Memorandum enters into force the Memorandum of Association of the Housing Fund of the Republic of Slovenia (Official Gazette of the Republic of Slovenia nos. 96/00, 8/04, 80/04 and 17/06) ceases to be in effect.

Article 25

This Memorandum shall enter into force the following day after it is published in the Official Gazette of the Republic of Slovenia.

Basic document: 6/2011

No. 01401-4/2010
Ljubljana, 27 January 2011
EVA 2010-2511-0140
Government of the Republic of
Slovenia
Borut Pahor (signed)
Prime Minister

First change: 60/2017 – new articles 8, 12 and 13.a

No. 01401-3/2017
Ljubljana, 26. October 2017
EVA 2017-2550-0051
Government of the Republic of
Slovenia
dr. Miroslav Cerar (signed)
Prime Minister

Second change: 11/2018 – new article 11.a

No. 00719-13/2018
Ljubljana, 8. March 2018

EVA 2018-2550-0034
Government of the Republic of
Slovenia
dr. Miroslav Cerar (signed)
Prime Minister