



COPY

REGENT SUKOHARJO
PROVINCE OF CENTRAL JAVA
SUKOHARJO REGENCY REGULATIONS
NUMBER 65 OF 2021

ABOUT

APPOINTMENT AND DISMISSAL OF MEMBERS OF THE SUPERVISORY BOARD
OR MEMBERS OF THE COMMISSIONER AND MEMBERS OF THE BOARD OF DIRECTORS
IN REGIONAL OWNED ENTERPRISES

BY THE GRACE OF GOD ALMIGHTY

REGENT SUKOHARJO,

- Considering:
- a. that the appointment and dismissal of members of the Board Supervisors or members of the Commissioners and members of the Board of Directors need to be regulated to realize good corporate governance;
 - b. that in order for the implementation of the appointment and dismissal of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors as referred to in letter a to be implemented and achieve the objectives expected by the Regional Government, it is necessary to prepare guidelines that serve as a comprehensive reference for Regional Owned Enterprises;
 - c. that with the issuance of Minister of Home Affairs Regulation Number 37 of 2018 concerning the Appointment and Dismissal of Members of the Supervisory Board or Members of the Commissioners and Members of the Board of Directors of Regional Owned Enterprises, it is necessary to regulate the appointment and dismissal of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors in Regional Owned Enterprises ;
 - d. that based on the considerations as intended in letters a, b, and c, it is necessary to stipulate a Regent's Regulation concerning the Appointment and Dismissal of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors in Regionally Owned Enterprises;

- Remember :
- 1. Law Number 13 of 1950 concerning the Establishment of Regency Regions within the Province of Central Java as amended by Law Number 9 of 1965 concerning the Establishment of the Batang II Level Region by Amending Law No. 13 of 1950 concerning Regional Formation - Regency areas within the Province of Central Java (State Gazette of 1965 Number 52, Supplement to State Gazette Number 2757);

2. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 11 of 2020 concerning Job Creation (State Gazette Republic of Indonesia 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
3. Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to State Gazette of the Republic of Indonesia Number 6173);
4. Regional Regulation of Sukoharjo Regency Number 6 of 2019 concerning Regional Liability Companies of People's Credit Bank Bank Sukoharjo (Sukoharjo Regency Regional Gazette of 2019 Number 6, Supplement to Sukoharjo Regency Regional Gazette Number 282);
5. Sukoharjo Regency Regional Regulation Number 12 of 2019 concerning Tirta Makmur Regional Drinking Water Public Company (Sukoharjo Regency Regional Gazette of 2019 Number 12, Supplement to Sukoharjo Regency Regional Gazette Number 286);
6. Sukoharjo Regency Regional Regulation Number 11 of 2019 concerning Regional Public Printing and Publishing Companies (Sukoharjo Regency Regional Gazette of 2019 Number 11, Supplement to Sukoharjo Regency Regional Gazette Number 285);

DECIDE :

Establish: REGENT REGULATIONS CONCERNING THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE SUPERVISORY BOARD OR MEMBERS OF THE COMMISSIONERS AND MEMBERS OF THE BOARD OF DIRECTORS IN REGIONAL OWNED BUSINESS ENTITIES.

PIG

GENERAL REQUIREMENTS

article 1

In this Regent's Regulation what is meant by:

1. The region is Sukoharjo Regency.
2. Regional Government is the Regent as the organizing element of Regional Government which leads the implementation of government affairs which are the authority of the autonomous region.
3. The Regent is the Regent of Sukoharjo.
4. Regionally Owned Enterprises, hereinafter referred to as BUMDs, are business entities whose capital is wholly or partially owned by the Region.

5. Regional Public Companies, hereinafter referred to as Perumda, are BUMDs whose entire capital is owned by one Region and is not divided into shares.
6. A Regional Limited Liability Company, hereinafter referred to as Perseroda, is a BUMD in the form of a Limited Liability Company whose capital is divided into shares, all of which or at least 51% (fifty one percent) of the shares are owned by one Region.
7. The Regent Who Represents the Regional Government in Ownership of Separated Regional Assets in Regional Public Companies, hereinafter abbreviated as KPM, is the organ of the Regional Public Company which holds the highest power in the Regional Public Company and holds all authority that is not delegated to the Directors or Supervisory Board.
8. Regional Apparatus is the supporting element of the Regional Head and the Regional People's Representative Council in the implementation of Government Affairs which fall under the authority of the Region.
9. The General Meeting of Shareholders, hereinafter referred to as the GMS, is the Perseroda Organ which holds the highest authority in the Perseroda Company and holds all authority and is not delegated to the Directors or Commissioners.
10. Stakeholders are parties who have an interest in BUMD because they have a legal relationship with BUMD, either directly or indirectly, namely Shareholders or Capital Owners, Board of Commissioners, Supervisory Board, Directors and Employees, Government, and other interested *parties* .
11. The Supervisory Board is a Perumda organ tasked with supervising and providing advice to the Board of Directors in carrying out the activities of regional public companies.
12. The Commissioner is an organ of Perseroda which is tasked with carrying out general and/or specific supervision in accordance with the articles of association and providing advice to the Board of Directors.
13. The Board of Directors is a BUMD organ that is responsible for managing BUMD for the interests and objectives of BUMD and representing BUMD both inside and outside the court in accordance with the provisions of the articles of association.
14. Performance Contract is a statement of agreement with the company which contains, among other things, promises or statements from members of the Supervisory Board or members of the Board of Commissioners and members of the Board of Directors to meet the targets set by the KPM or GMS.
15. Fit and Proper Test, hereinafter abbreviated as UKK, is the process for determining the suitability and suitability of a person to serve as a member of the Supervisory Board or member of the Commissioners and members of the Directors of BUMD.

16. Professional Institutions are Legal Entities that have the function and expertise to carry out the assessment process, have a license or certification if required to carry out their profession, have a good reputation, to carry out the assessment process for Prospective Members of the Supervisory Board or Prospective Members of the Board of Commissioners and Prospective Members. BUMD Directors appointed by the Regional Head.
17. A prospective member of the Supervisory Board or Member of Commissioners is someone who consciously registers to be a candidate for member of the Supervisory Board or member of Commissioners and follows the selection process.
18. Bakai Candidate Member of the Board of Directors is someone who consciously registers to become a Candidate for Directors and follows the selection process. Candidates for Supervisory Board members or Commissioners are names who have taken part in the UKK.
19. Candidates for members of the Board of Directors are the names who have participated UKK.
20. The Selection Committee is a committee formed to select prospective members of the Supervisory Board or members of the Commissioners and prospective members of the Board of Directors until appointment by the KPM or GMS.

Section 2

This Regent's Regulation is intended as a guideline for the appointment and dismissal of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors at BUMD.

CHAPTER II

DELIVERY OF AUTHORITY

Article 3

- (1) KPM hands over authority to the Regent as Regional Government administrator based on KPM's decision.
- (2) The GMS transfers authority to the Regent as the organizer of the Regional Government as the largest shareholder and/or the Region that initiates regional regulations regarding the establishment of BUMD based on the GMS decision.
- (3) The delegation of authority to the Regent as intended in paragraph (1) and paragraph (2) is carried out to carry out the selection of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors whose term of office ends and/or in the event of a vacancy in office.
- (4) Delivery as intended in paragraph [1) and paragraph (2) ends when the selection process is complete.

CHAPTER III
MEMBERS OF THE SUPERVISORY BOARD AND MEMBERS OF COMMISSIONERS

Article 4

Members of the Supervisory Board are appointed by the KPM and members of the Commissioners are appointed by the GMS.

Article 5

- (1) Process for selecting members of the Supervisory Board or members Commissioners are carried out through selection.
- (2) The selection as referred to in paragraph (1) is at least through stages:
 - a. administrative selection;
 - b. UKK; And
 - c. final interview.

Article 6

- (1) The Regent as referred to in Article 3 paragraph (1) and paragraph (2) assigns the Regional Apparatus in charge of coaching the management of BUMD to report vacancies in the positions of members of the Supervisory Board or members of the Commissioner whose term of office ends.
- (2) The preparation of vacancies for members of the Supervisory Board or members of the Commissioners whose term of office ends as intended in paragraph (1) shall be carried out no later than 6 (six) months before the term of office of members of the Supervisory Board or members of the Commissioners ends.
- (3) In the event that a member of the Supervisory Board or member of the Commissioners dies or is dismissed at any time, the Regional Apparatus in charge of coaching the management of BUMD reports the vacancy of the position to the Regent.

Article 7

- (1) To be appointed as a member of the Supervisory Board as intended in Article 4, the following requirements must be met:
 - a. physically and mentally healthy;
 - b. have expertise, integrity, leadership, experience, honesty, good behavior and high dedication to advance and develop the company; c. understand the administration of Regional Government;
 - d. understand company management related to one of the management functions;
 - e. provide sufficient time to carry out his duties;
 - f. have at least a Bachelor's degree (first degree);
 - g. aged no more than 60 (sixty) years at the time of first registration;
 - h. never declared bankruptcy;

- i. never been a member of the Board of Directors, Supervisory Board or Commissioner who was found guilty of causing the business entity they lead to be declared bankrupt;
- j. not currently undergoing criminal sanctions; k. not currently a political party administrator, candidate for Regent or candidate for deputy Regent, and/or candidate for legislative member; And
- m. not bound by family relations with the Regent/Deputy Regent, other members of the Supervisory Board, or the Board of Directors up to the third degree either in a straight line or laterally including sons-in-law and in-laws.

(2) To be appointed as a Commissioner as intended in Article 4, the following requirements must be met:

- a. Indonesian citizens;
- b. have faith in God Almighty;
- c. loyal and obedient to Pancasila and the Constitution of the Republic of Indonesia;
- d. physically and mentally healthy;
- e. have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advance and develop the company;
- f. understand the administration of Regional government; g. understand company management related to one of the management functions; h. provide sufficient time to carry out

his duties;

- i. competent;
- j. good financial reputation;
- k. have at least a Strata I (S-1) diploma; l. aged no more than 60 (sixty) years at the time of first registration; m. never declared bankruptcy;
- n. never been a member of the Board of Directors, Supervisory Board, or Commissioner who was found guilty of causing the business entity they lead to be declared bankrupt; o. never been convicted of committing a criminal act that is detrimental to state or regional finances; p. not currently undergoing criminal sanctions; and q. not currently a political party administrator, regional head candidate or deputy regional head candidate, and/or legislative member candidate.

Article 8

- (1) The number of the Selection Committee is Odd and the least consisting of:
- a. Regional apparatus; And
 - b. independent elements and/or universities.

- (2) In the event that a BUMD has a nomination committee, the nomination committee becomes a member of the Selection Committee as intended in paragraph (1).
- (3) The duties of the Selection Committee:
- a. determine the implementation time schedule;
 - b. carry out the selection of prospective Council Member Candidates Supervisor or Commissioner;
 - c. form a team or appoint a Professional Institution to carry out UKK;
 - d. determine the UKK assessment formulation;
 - e. determine assessment results;
 - f. determine Candidates for Supervisory Board Members or Commissioners;
And
 - g. follow up on prospective Supervisory Board Members or elected Commissioners for further processing according to the provisions of statutory regulations and/or Government policy.
- (4) The Selection Committee as intended in paragraph (1) is determined by a Regent's Decree.

Article 9

- (1) The appointment of a Professional Institution as intended in Article 8 paragraph (3) letter c, by the Selection Committee shall consider at least:
- a. BUMD financial capabilities;
 - b. availability of Professional Institutions; And
 - c. availability of human resources.
- (2) The process of appointing a Professional Institution as intended in paragraph (1) is carried out in accordance with the provisions of statutory regulations.

Article 10

In carrying out the selection as intended in Article 5, The Selection Committee selects prospective members of the Supervisory Board or Commissioners.

Article 11

- (1) The Selection Committee carries out administrative selection based on the results of the selection as intended in Article 10.
- (2) Administrative selection as intended in paragraph (1) is carried out on independent elements and Regional Government officials by fulfilling at least the requirements as intended in Article 7 paragraph (1) letters f to letter m or paragraph (2) letter i to letter q.
- (3) The Selection Committee determines Candidate Candidates for Members of the Supervisory Board or Members of Commissioners based on the results of the administrative selection as intended in paragraph (2).

Article 12

- (1) The Selection Committee carries out UKK based on the results of the administrative selection as intended in Article 11 paragraph (3)
- (2) UKK as intended in paragraph (1) is implemented by:
 - a. team; or
 - b. Professional Institute.

Article 13

- (1) The UKK carried out by the team as intended in Article 12 paragraph (2) letter a, involves individual consultants.
- (2) The Professional Team or Institution as intended in Article 12 paragraph (2) is tasked with:
 - a. carry out the UKK process in accordance with the assessment indicators UKK;
 - b. determine the results of the UKK assessment; And
 - c. submit the assessment results to the Selection Committee.
- (3) The Professional Team or Institution as intended in paragraph (2) is determined by the Regent's decision.

Article 14

UKK assessment indicators as intended in Article 13 paragraph (2) letter a include at least:

- a. experience managing a company;
- b. skill;
- c. integrity and ethics;
- d. leadership;
- e. understanding of the implementation of Regional Government; And
- f. have a strong will and high dedication.

Article 15

UKK for Candidates for Supervisory Board Members or Commissioners goes through at least the following stages:

- a. psychological test;
- b. skills written exam;
- c. writing supervisory strategy papers;
- d. supervisory strategy paper presentation; And
- e. interview.

Article 16

- (1) Members of the Supervisory Board and members of the Commissioners may consist of independent elements and other elements in accordance with the provisions of statutory regulations.

- (2) The independent elements as intended in paragraph (1), consist of on:
- a. members of the Supervisory Board or other members of the BUMD Commissioners and/or members of the Supervisory Board or members of the BUMD Commissioners who have completed their terms of office;
 - b. retired BUMD employees;
 - c. former BUMD Director; or
 - d. external BUMDs other than those mentioned in letters a, b and letter c.
- (3) Independent elements as intended in paragraph (1), is a member of the Supervisory Board or member of the Commissioners who has no business relationship with the Board of Directors or shareholders.
- (4) Other elements as referred to in paragraph (1), may consist of Regional Government officials who are not tasked with carrying out public services, and priority is given to officials who carry out evaluation, guidance and supervision of BUMD.
- (5) Public services as referred to in paragraph (4) are activities or series of activities in order to fulfill the service needs of every citizen and resident for goods, services and/or administrative services provided by public service providers in accordance with the provisions of statutory regulations. invitation.

Article 17

- (1) The number of members of the Supervisory Board is determined by KPM and The number of Commissioners is determined by the GMS.
- (2) The maximum number of members of the Supervisory Board and members of the Commissioners equal to the number of Directors.
- (3) In the event that there are more than 1 (one) members of the Supervisory Board or Commissioners, 1 (one) member of the Supervisory Board is appointed as Chair of the Supervisory Board or 1 (one) member of the Commissioners is appointed as President Commissioner.
- (4) Determination of the number of members of the Supervisory Board or members The commissioners as referred to in paragraph (1) and paragraph (2) are carried out based on the principles of efficiency and effectiveness of decisions, supervision and financing for the interests of BUMD.

Article 18

Members of the Supervisory Board or members of the Commissioners are determined with the composition:

- a. BUMD with 1 (one) member of the Supervisory Board or Commissioner, originating from Regional Government officials;

- b. BUMD with the number of Supervisory Board members or members
There are 2 (two) commissioners consisting of:
 - 1. 1 (one) Regional Government official, and 1 (one) person independent elements; or
 - 2. 2 (two) Regional Government officials;
- c. BUMD with the number of Supervisory Board members or members
There are 3 (three) commissioners consisting of:
 - 1. 1 (one) Regional Government official, and 2 (two) people independent elements; or
 - 2. 2 (two) Regional Government officials and 1 (one) independent element.

Article 19

- (1) Assessment of UKK indicators for Prospective Council Members Supervisors or Commissioners are carried out by provides weighting consisting of:
 - a. experience;
 - b. skill;
 - c. integrity and ethics;
 - d. leadership;
 - e. understanding of the implementation of Regional Government; And
 - f. have a strong will and high dedication.
- (2) Each UKK indicator as intended in paragraph (1), is detailed according to the requirements determined by the Selection Committee.
- (3) The weight of the UKK indicator assessment as intended in paragraph (1) letters a to d and f is determined by the Selection Committee.
- (4) The weight of the assessment of indicators of understanding of Regional Government administration as referred to in paragraph (1) letter e is 20% (twenty percent).
- (5) The total weight of the indicator assessment as intended in paragraph (3) and paragraph (4) is 100% (one hundred percent).
- (6) The final UKK score classification includes:
 - a. above 8.5 (eight point five) is highly recommended recommended;
 - b. above 7.5 (seven point five) up to 8.5 (eight point five) recommended recommended;
 - c. 7.0 (seven point zero) to 7.5 (seven point five) recommended with development; And
 - d. below 7.0 (seven point zero) is not recommended recommended.
- (7) Calculation of the UKK indicator assessment as stated in the Attachment which is an inseparable part of this Regent's Regulation.

Article 20

Prospective Candidates for Members of the Supervisory Board or Members of Commissioners who are appointed as Candidates for Members of the Supervisory Board or Members of Commissioners are Candidates who meet the assessment classification as intended in Article 19 paragraph (6) letters a to letter c.

Article 21

- (1) The implementation of administrative and UKK selection produces at least 3 (three) or at most 5 (five) Candidates for Supervisory Board Members or Commissioners.
- (2) The Selection Committee submits the names of Candidates for Supervisory Board Members or Commissioners as intended in paragraph (1) to the Regent.

Article 22

- (1) The Regent carries out the final interview stage selection of Candidates for Supervisory Board Members or Commissioners as intended in Article 21 paragraph (2).
- (2) The Regent determines 1 (one) elected Supervisory Board Member or Commissioner Member Candidate for each position of Supervisory Board member or Commissioner member after conducting a final interview as intended in paragraph (1).
- (3) In the event that there is a position of Chairman of the Supervisory Board or Main Commissioner, the Regent first determines the candidate for chairman of the Supervisory Board or elected Main Commissioner.
- (4) The Regent may request input from the chairman of the Supervisory Board or Main Commissioner or the candidate for chairman of the Supervisory Board or elected Main Commissioner as intended in paragraph (3) to determine the Candidates for Members of the Supervisory Board or other elected Members of Commissioners.
- (5) In the case of BUMD Financial Institutions, the Regent determines Candidates for Supervisory Board Members or Commissioners for further processing in accordance with the provisions of laws and regulations in the financial and banking sector.
- (6) If the results of the further process as intended in paragraph (5) are approved, the Regent shall determine the Candidates for Supervisory Board Members or elected Commissioners.
- (7) If the results of the further process as intended in paragraph (5) are not approved, the Regent shall determine the Candidates for Members of the Supervisory Board or other Commissioners in accordance with the process as intended in paragraph (5).

Article 23

- (1) The Regent submits the elected Candidates for Supervisory Board Members or Commissioners to the KPM or GMS.
- (2) Prospective members of the Supervisory Board or elected Commissioners sign a performance contract before being appointed as members of the Supervisory Board or members of the Commissioners.

- (3) Apart from signing the performance contract as intended in paragraph (2), the prospective member of the Supervisory Board or elected member of the Commissioners signs a statement letter containing their ability to carry out their duties well, is willing to be dismissed at any time and will not sue or file legal proceedings in connection with dismissal

the.

Article 24

Appointment of Candidates for Supervisory Board Members or Members Elected commissioners are carried out by:

- a. KPM decision for Perumda; And
- b. GMS decision for Perseroda whose shares are all owned by the Region.

Article 25

- (1) The appointment of members of the Supervisory Board or members of the Commissioners does not coincide with the appointment of members of the Board of Directors, except for the first appointment at the time of establishment.
- (2) The appointment of members of the Supervisory Board or members of the Commissioners as referred to in paragraph (1), is intended to avoid vacancies in the BUMD management.

Article 26

- (1) Members of the Supervisory Board and members of the Commissioners are appointed for a maximum term of office of 4 (four) years and can be reappointed for 1 (one) term of office.
- (2) The provisions regarding selection as intended in Article 5 do not apply to the re-appointment of members of the Supervisory Board or members of the Commissioners who are deemed capable of carrying out their duties well during their term of office.
- (3) Assessment of task capabilities as intended in paragraph (2) is at least:
 - a. implementation of BUMD supervision;
 - b. providing input and suggestions on the management of BUMD;
 - c. implementation of good corporate governance;
 - d. anticipating and/or minimizing the occurrence of fraud; And
 - e. fulfillment of targets in performance contracts.
- (4) When assessing task capabilities as intended in paragraph (3), based on documents consisting of at least:
 - a. business plan;
 - b. BUMD work plan and budget;
 - c. financial statements;
 - d. monitoring results report;
 - e. performance contracts; And
 - f. meeting minutes and working papers.

- (5) In the event that a member of the Supervisory Board or member of the Commissioners is reappointed, the member of the Supervisory Board or member of the Commissioners is obliged to sign a performance contract.
- (6) The signing of the performance contract as intended in paragraph (5) is carried out before re-appointment as a member of the Supervisory Board or member of the Commissioners.

Article 27

The term of office of a member of the Supervisory Board or member of the Commissioners ends if:

- a. die;
- b. his term of office ends; and/or
- c. dismissed at any time.

Article 28

- (1) In the case of positions of members of the Supervisory Board or members Commissioner ends because his term of office ends as referred to in Article 27 letter b, members of the Supervisory Board or members of the Commissioners are required to submit a supervisory report on their duties at the end of their term of office no later than 3 (three) months before the end of their term of office.
- (2) Members of the Supervisory Board or members of the Commissioners as referred to in paragraph (1) are required to report the remaining implementation of their supervisory duties which have not been reported no later than 1 (one) month after the end of their term of office.
- (3) The report on the management of duties at the end of the term of office as referred to in paragraph (1) is used as a basis for consideration by the KPM or GMS to extend or dismiss members of the Supervisory Board or members of the Commissioners.
- (4) Reports on the management of the duties at the end of the term of office of members of the Supervisory Board or members of the Commissioners whose term of office ends are carried out after the results of an audit with a specific purpose or an annual audit from a public accounting firm to the KPM or annual GMS.
- (5) In the event that there is a vacancy in the positions of all members of the Supervisory Board or members of the Commissioners, the implementation of BUMD supervisory duties is carried out by the KPM or GMS.

Article 29

- (1) In the case of positions of members of the Supervisory Board or members Commissioners expire due to being dismissed at any time as intended in Article 26 letter c, the dismissal must be accompanied by a reason for the dismissal.
- (2) Dismissal of members of the Supervisory Board or members Commissioner as intended in paragraph (1) is carried out if based on data and information that can be legally proven, the member of the Supervisory Board or member of the Commissioner concerned:
 - a. unable to carry out duties;

- b. does not implement the provisions of the laws and regulations invitation and/or provisions of the articles of association;
- c. involved in fraudulent acts that result losses to BUMD, state and/or region;
- d. declared guilty by court decision has permanent legal force;
- e. resign;
- f. no longer fulfills the requirements as a member of the Supervisory Board or member of the Commissioners in accordance with the provisions of statutory regulations; and/or
- g. not re-elected in the event of changes in Regional Government policy such as restructuring, liquidation, acquisition and dissolution of BUMD.

Article 30

- (1) Members of the Supervisory Board are dismissed by KPM and members Commissioners are dismissed by the GMS.
- (2) KPM or GMS regulates the technical implementation of dismissal as intended in paragraph (1), containing at least the following material:
 - a. proposal for resignation from the person concerned;
 - b. term of approval for dismissal; And
 - c. procedures for dismissal.

CHAPTER IV BOARD OF DIRECTORS

Article 31

Directors at Perumda are appointed by KPM and Directors at Perseroda is appointed by the GMS.

Article 32

- (1) The process of selecting members of the Board of Directors is carried out through selection.
- (2) The selection as referred to in paragraph (1) is at least through stages:
 - a. administrative selection;
 - b. UKK; And
 - c. final interview.

Article 33

- (1) The Regent as intended in Article 3 paragraph (1) and paragraph (2) assigns Regional officials in charge of coaching the management of BUMD to report vacancies in the positions of members of the Board of Directors whose term of office ends.
- (2) The preparation of vacancies for members of the Board of Directors whose term of office ends as referred to in paragraph (1) is carried out no later than 6 (six) months before the term of office of members of the Board of Directors ends.
- (3) In the event that a member of the Board of Directors dies or is dismissed at any time, the Regional apparatus in charge of coaching

regarding the management of BUMD reporting vacant positions to the Regent.

Article 34

- (1) To be appointed as a member of the Perumda Board of Directors, that is concerned must meet the following requirements:
- a. physically and mentally healthy;
 - b. have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advance and develop the company;
 - c. understand the administration of Regional government;
 - d. understand company management;
 - e. have adequate knowledge in the business field company;
 - f. have at least a Strata 1 (S-1) diploma;
 - g. minimum work experience of 5 (five) years in the managerial field of a legal entity company;
 - h. aged at least 35 (thirty five) years and at most 55 (fifty five) years of age at the time of first registration;
 - i. never been a member of the Board of Directors or Supervisory Board who was found guilty of causing the business entity they lead to be declared bankrupt;
 - j. have never been convicted of committing a criminal offense the threat of a sentence of more than 5 (five) years;
 - k. never been convicted of committing a criminal act that is detrimental to state or regional finances;
 - l. not currently undergoing criminal sanctions;
 - m. is not currently a political party administrator, regional head candidate or deputy regional head candidate, and/or legislative member candidate; And
 - n. is not related to the Regent/Deputy Regent, other members of the Supervisory Board, or the Board of Directors up to the third degree, either in a straight line or laterally, including sons-in-law and in-laws.
- (2) To be appointed as a member of the Board of Directors of Perseroda, the person concerned must fulfill the following requirements:
- a. Indonesian citizens;
 - b. have faith in God Almighty;
 - c. loyal and obedient to Pancasila and the Constitution of the Republic of Indonesia;
 - d. physically and mentally healthy;
 - e. have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advance and develop the company;
 - f. competent;
 - g. good financial reputation;
 - h. understand the administration of Regional government;
 - i. understand company management;

j. have adequate knowledge in the company's business field; k. have at least a Strata 1 (S-1)

diploma; l. Minimum work experience of 5 (five)

years in the managerial field of a legal entity company and has led a team;

m. aged at least 35 (thirty five) years and at most 55 (fifty five) years at the time of first registration; n. never been a member of the Board of Directors, Supervisory

Board, or Commissioner who was found guilty of causing the business entity they lead to be declared bankrupt; o. never been convicted of committing a criminal act that is detrimental to state or regional

finances; p. not currently undergoing criminal sanctions; and q. not currently a political party administrator, regional head candidate or deputy regional head candidate, and/or legislative member candidate.

Article 35

(1) The Selection Committee has the oddest and smallest number consisting of:

a. Regional Apparatus; And

b. independent elements and/or universities.

(2) In the event that a BUMD has a nomination committee, the nomination committee becomes a member of the Selection Committee as intended in paragraph (1).

(3) The Selection Committee is tasked with:

a. determine the implementation time schedule;

b. conducting a selection of prospective members of the Board of Directors;

c. form a team or appoint a Professional Institution to carry out UKK;

d. determine the UKK Assessment Formulation;

e. determine assessment results;

f. determine Candidate Members of the Board of Directors; And

g. following up on the prospective members of the Board of Directors selected for processed further in accordance with the provisions of laws and/or Government policies.

(4) The Selection Committee is determined by a Regent's Decree.

Article 36

(1) Appointment of Professional Institutions as referred to in Article 35 paragraph (3) by the Selection Committee considers at least:

a. BUMD financial capabilities;

b. availability of Professional Institutions; And

c. availability of human resources;

- (2) The process for appointing a Professional Institution as intended in paragraph (1) is implemented in accordance with the provisions of statutory regulations.

Article 37

In carrying out the selection, the Selection Committee carries out a selection of prospective members of the Board of Directors.

Article 38

- (1) The Selection Committee carries out administrative selection based on the results of the selection as intended in Article 37.
- (2) The Selection Committee carries out appropriate administrative selection requirements as intended in Article 34 paragraph (1) letters f to letter n or paragraph (2) letters f to letter q.
- (3) The Selection Committee determines prospective members of the Board of Directors who have passed the requirements as intended in paragraph (1) to take part in the UKK.

Article 39

- (1) UKK as intended in Article 38 paragraph (3), implemented by:
 - a. team; or
 - b. Professional Institute.
- (2) The UKK carried out by the team as intended in paragraph (1) letter a, involves individual consultants.
- (3) Professional Team or Institution as referred to in paragraph (1) tasked with:
 - a. carry out the UKK process in accordance with the assessment indicators UKK;
 - b. determine the results of the UKK assessment; And
 - c. submit the assessment results to the Selection Committee.
- (4) The Professional Team or Institution as intended in paragraph (2) is determined by a Regent's Decree.

Article 40

UKK assessment indicators as intended in Article 39 paragraph (3) letter a includes at least:

- a. experience managing a company;
- b. skill;
- c. integrity and ethics;
- d. leadership;
- e. understanding of the implementation of Regional Government; And
- f. have a strong will and high dedication.

Article 41

UKK for prospective members of the Board of Directors goes through at least the following stages:

- a. psychological test;

- b. skills written exam;
- c. writing papers and business plans;
- d. presentation of papers and business plans; And
- e. interview.

Article 42

- (1) Assessment of UKK indicators for prospective members of the Board of Directors
This is done by providing weighting including:
 - a. experience;
 - b. skill;
 - c. integrity and ethics;
 - d. leadership;
 - e. understanding of the implementation of Regional Government; And
 - f. have a strong will and high dedication.
- (2) Each indicator and UKK assessment weight as follows
referred to in paragraph (1), detailed in accordance with the requirements
determined by the Selection Committee.
- (3) Total indicator assessment weight as referred to in
paragraph (1) of 100% (one hundred percent).
- (4) The final UKK score classification includes:
 - a. above 8.5 (eight point five) is highly recommended
recommended;
 - b. above 7.5 (seven point five) up to 8.5 (eight
point five) recommended recommended;
 - c. 7.0 seven point zero) up to 7.5 (seven point five) recommended with
development; And
 - d. below 7.0 (seven point zero) is not recommended
recommended.
- (5) The calculation of assessment weights and final UKK scores is listed in
the Attachment which is an inseparable part of this Regent's Regulation.

Article 43

- (1) Experience as referred to in Article 42 paragraph (1) letter a, namely that
prospective members of the Board of Directors have a track record of
success in managing the organization.
- (2) In carrying out track records as in paragraph (1), it involves at least:
 - a. Regional intelligence community; and/or
 - b. financial transaction reporting and analysis center;

Article 44

Prospective Directors Members who are appointed as Directors Candidates
are Candidates who meet the assessment classification as intended in Article
42 paragraph (4) letters a to c.

Article 45

- (1) The implementation of administrative and UKK selection produces a minimum of 3 (three) or a maximum of 5 (five) Candidates for Members of the Board of Directors.
- (2) The selection committee submits the names of Candidates for Directors as intended in paragraph (1) to the Regent.

Article 46

- (1) The Regent carries out the final interview stage selection of Candidates for Members of the Board of Directors as referred to in Article 45 paragraph (2).
- (2) The Regent determines 1 (one) elected Candidate Member of the Board of Directors for each position of member of the Board of Directors, after conducting a final interview as intended in paragraph (1).
- (3) In the event that there is a President Director position, the Regent first determines the elected President Director Candidate.
- (4) The Regent may request input from the President Director or elected President Director Candidates as intended in paragraph (3) to determine other elected Candidates for Directors.
- (5) In the case of BUMD financial institutions, the Regent shall appoint Candidates for Directors for further processing in accordance with the provisions of financial and banking laws and regulations.
- (6) If the results of the further process as intended in paragraph (5) are approved, the Regent shall determine the elected Candidates for Members of the Board of Directors.
- (7) If the results of the further process as intended in paragraph (5) are not approved, the Regent shall determine other Candidates for Directors in accordance with the process as intended in paragraph (5).

Article 47

- (1) The Regent submits the selected Candidates for Directors to KPM or GMS.
- (2) Selected prospective members of the Board of Directors sign a performance contract before being appointed as members of the Board of Directors.
- (3) In addition to signing the performance contract as referred to in paragraph (2), the elected Candidate Member of the Board of Directors signs a statement letter containing the ability to carry out their duties well, is willing to be dismissed at any time or submit legal proceedings in connection with the dismissal
the.

Article 48

The appointment of selected Candidates for Members of the Board of Directors is carried out by:

- a. KPM decision for Perumda; And
- b. GMS decision for Perseroda which all shares are owned by Region.

Article 49

- (1) The provisions regarding selection as intended in Article 32 do not apply to the re-appointment of members of the Board of Directors who are deemed capable of carrying out their duties well during their term of office.
- (2) Assessment of task capabilities as referred to in paragraph (1) at least meets the following criteria:
 - a. exceeding the realization target of the business plan as well BUMD Work Plan and Budget;
 - b. increasing audit opinion on the company's financial statements or being able to maintain an unqualified audit opinion;
 - c. All monitoring results have been followed up accordingly with the provisions of statutory regulations; And
 - d. meeting the targets in the performance contract.
- (3) In assessing task capabilities as intended in paragraph (2), based on documents consisting of at least:
 - a. business plan;
 - b. BUMD work plan and budget;
 - c. financial statements;
 - d. monitoring results report; And
 - e. performance contract.
- (4) In the event that a member of the Board of Directors is reappointed, the member of the Board of Directors is required to sign a performance contract.
- (5) The signing of the performance contract as intended in paragraph (4) is carried out before re-appointment as a member of the Board of Directors.

Article 50

- (1) Members of the Board of Directors are appointed for a maximum term of office of 5 (five) years and can be reappointed for 1 (one) term of office unless:
 - a. determined otherwise in accordance with regulatory provisions legislation; And
 - b. in the event that members of the Board of Directors have special skills and/or excellent achievements, they can be appointed for a third term of office.
- (2) Special skills and/or excellent achievements as intended in paragraph (1) letter b at least meets the following criteria:
 - a. exceeding the realization target of the business plan as well BUMD work plan and budget;
 - b. audit opinion on the company's financial statements at least Fair Without Exception for 3 (three) consecutive years at the end of the leadership period;
 - c. All monitoring results have been followed up accordingly with the provisions of statutory regulations; And

- d. fulfillment of targets in the performance contract of 100% (one hundred percent) for 2 (two) leadership periods.

Article 51

The term of office of a member of the Board of Directors ends if:

- a. die;
- b. his term of office ends; and/or
- c. dismissed at any time.

Article 52

- (1) In the event that their term of office ends as intended in Article 51 letter b, members of the Board of Directors submit a report on the management of their duties at the end of their term of office no later than 3 (three) months before the end of their term of office.
- (2) Members of the Board of Directors as referred to in paragraph (1) report the remaining implementation of their management duties which have not yet been completed reported no later than 1 (one) month after the end of his term of office.
- (3) Based on the end of term assignment management report as referred to in paragraph (2), the Supervisory Board or Commissioners submit assessments and recommendations on the performance of the Directors to the shareholders.
- (4) The report as intended in paragraph (2) as well as the assessment and recommendations as intended in paragraph (3) are the basis for consideration by the KPM or GMS to extend or dismiss members of the Board of Directors.
- (5) The report on the management of the final duties of the members of the Board of Directors whose term of office ends is carried out after the results of an audit with a specific purpose or an annual audit from a public accounting firm and submitted to the KPM or annual GMS.

Article 53

- (1) In the event that the term of office of a member of the Board of Directors ends due to dismissed at any time as intended in Article 51 letter c, the said dismissal must be accompanied by a reason for the dismissal.
- (2) Dismissal of a member of the Board of Directors as referred to in paragraph (1) is carried out if based on data and information that can be legally proven, the member of the Board of Directors concerned:
 - a. unable to carry out duties;
 - b. does not implement the provisions of the laws and regulations invitation and/or provisions of the articles of association;
 - c. involved in fraudulent acts that result losses to BUMD, state and/or region;
 - d. declared guilty by court decision has permanent legal force;
 - e. resign;

f. no longer meets the requirements as a member of the Board of Directors in accordance with the provisions of statutory regulations; and/or

g. was not re-elected due to changes in Regional Government policy regarding restructuring, liquidation, acquisition and dissolution of BUMD.

Article 54

(1) Directors at Perumda are dismissed by KPM and Directors at Perseroda was dismissed by the GMS.

(2) KPM or GMS regulates the technical implementation of dismissal as intended in paragraph (1), containing at least the following material:

a. proposal for resignation from the person concerned;

b. term of approval for dismissal; And

c. procedures for dismissal.

CHAPTER V

SELECTION IMPLEMENTATION INFORMATION

Article 55

(1) The Regional Government informs the implementation of each stages of selection of Candidates for Members of the Supervisory Board or Members of Commissioners and Members of Directors through local/national and/or electronic mass media.

(2) Electronic media as intended in paragraph (1) is loaded on the Regional Government website and/or BUMD website.

(3) The selection stages are informed as intended in paragraph (1) contains at least:

a. networking;

b. administrative selection results; And

c. UKK results.

CHAPTER VI

FINANCING

Article 56

The costs of holding the selection of members of the Supervisory Board or members of the Commissioners and members of the Board of Directors at BUMD are borne by the BUMD.

CHAPTER VII
CLOSING

Article 57

This Regent's Regulation comes into force on the date of promulgation.

So that everyone is aware, this Regent's Regulation is ordered to be promulgated by placing it in the Regional Gazette of Sukoharjo Regency.

Stipulated in Sukoharjo on
December 2 2021

REGENT SUKOHARJO,

signed.

ETIK SURYANI

Promulgated in Sukoharjo on
December 2 2021

REGIONAL SECRETARY
SUKOHARJO DISTRICT,

signed.

WIDODO

REGIONAL NEWS SUKOHARJO DISTRICT
YEAR 2021 NUMBER 66

Copy Corresponds to the original
Head of Legal Department

signed

RETNO WIDIYANTI BUDININGSIH, SH

Level I Organizer
NIP.19790801 200501 2 010

ATTACHMENT TO SUKOHARJO REGENCY
REGULATION NUMBER: 65
OF 2021 CONCERNING
APPOINTMENT AND DISMISSAL OF MEMBERS
OF THE SUPERVISORY BOARD MEMBERS OF
COMMISSIONERS AND MEMBERS OF THE BOARD
OF DIRECTORS IN REGIONAL OWNED
ENTERPRISES.

TABLE OF CALCULATION OF UKK VALUE FOR SUPERVISORY BOARD MEMBERS OR
MEMBERS OF COMMISSIONERS AND MEMBERS OF THE BOARD OF DIRECTORS IN OWNED BUSINESS ENTITIES
AREA

UKK	Indicator No	Assessment Weight Indicator	The value obtained from the UKK Indicator (1-10)	Final score UKK
(1)	(2)	(3)	(4)	(5)=(3) x (4)
	1. Experience	...%	...	...
	a. ...			
	b. ...			
	c. Etc			
	2. Expertise	...%	...	...
	a. ...			
	b. ...			
	c. Etc			
	3. Integrity and morals	...%	...	...
	a. ...			
	b. ...			
	c. Etc			
	4. Leadership...%		...	...
	a. ...			
	b. ...			
	c. Etc			
	5. Understanding of government administration area	...%	...	...
	a. ...			
	b. ...			
	c. Etc			
	6. Have strong will and high dedication	...%	...	...
	a. ...			
	b. ...			
	c. Etc			

Charging instructions :

(1) Fill in the page number.

(2) UKK indicators as intended in Article 19 paragraph (1).

- (3) The weight of the UKK Indicator Assessment for members of the Supervisory Board/Commissioners is determined by the Selection Committee.
- (4) Value obtained from the UKK Indicator.
- (5) The final UKK value that will be recommended as intended in Article 19 paragraph (6).

REGENT SUKOHARJO,

signed.

ETIK SURYANI