



COPY

**REGENT SUKOHARJO
PROVINCE OF CENTRAL JAVA
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 6 OF 2019**

ABOUT

**PEOPLE'S CREDIT BANK REGIONAL COMPANY
SUKOHARJO BANK**

BY THE GRACE OF GOD ALMIGHTY

REGENT SUKOHARJO,

Considering: a. that based on the provisions of Article 339 of Law Number 23 of 2014 concerning Regional Government as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to Law Number 23 of 2014 concerning Regional Government and Government Regulation Number 54 of 2017 regarding Regionally Owned Business Entities, Regional Liability Companies of Rural Bank Sukoharjo Bank which were formed based on the Regional Regulation of Sukoharjo Regency Number 5 of 2017 concerning Regional Liability Companies of Rural Bank Sukoharjo Bank, it is necessary to change the form of the legal entity;

b. that based on the considerations as intended in letter a, it is necessary to stipulate a Regional Regulation concerning the Regional Liability Company of Rural Bank Sukoharjo Bank;

Bearing in mind: 1. Article 18 paragraph (6) of the 1945 Constitution of the Unitary State of the Republic of Indonesia;

2. Law Number 13 of 1950 concerning the Establishment of Regency Regions within the Province of Central Java; 3. Law Number 7 of 1992 concerning Banking (State

Gazette of the Republic of Indonesia Year

1992 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 3472) as amended by Law Number 10 of 1998 (State Gazette of the Republic of Indonesia 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790);

4. Law Number 8 of 1999 concerning Consumer Protection (State Gazette of the Republic of Indonesia of 1999 Number 42, Supplement to State Gazette of the Republic of Indonesia Number 3821);
5. Law Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Law Number 3 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4357); 6. Law Number 13 of 2003 concerning Employment (State Gazette of the Republic of Indonesia Year 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
7. Law Number 17 of 2003 concerning State Finance (State Gazette of the Republic of Indonesia 2003 Number 47, Supplement to the Republic of Indonesia Gazette Number 4286);
8. Law Number 24 of 2004 concerning Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2004 Number 24, Supplement to State Gazette of the Republic of Indonesia Number 4420); 9. Law Number 37 of 2004 concerning Bankruptcy and Postponement of Debt Payment Obligations (State Gazette of the Republic of Indonesia of 2004 Number 131, Supplement to the State Gazette of the Republic of Indonesia Number 4443); 10. Law Number 40 of 2007 concerning Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756); 11. Law Number 12 of 2011 concerning the Formation of Legislation and Regulations (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to Gazette of the Republic of Indonesia Number 5234); 12. Law Number 21 of 2011 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253);

13. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to the Law. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679);
14. Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises (State Gazette of the Republic of Indonesia Year 2017 Number 305, Supplement to State Gazette of the Republic of Indonesia Number 6173);
15. Government Regulation Number 12 of 2019 concerning Regional Financial Management (State Gazette of the Republic of Indonesia of 2019 Number 42, Supplement to State Gazette of the Republic of Indonesia Number 6322);
16. Presidential Regulation Number 87 of 2014 concerning Implementing Regulations of Law Number 12 of 2011 concerning the Formation of Legislative Regulations (State Gazette of the Republic of Indonesia of 2014 Number 199);

With Mutual Consent

REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO DISTRICT

And

REGENT SUKOHARJO

DECIDE :

**Establish: REGIONAL REGULATIONS CONCERNING COMPANIES
REGIONAL COMPANY BANK PEOPLE'S CREDIT BANK SUKOHARJO.**

PIG

GENERAL REQUIREMENTS

article 1

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. **The Regional People's Representative Council, hereinafter abbreviated as DPRD, is the regional people's representative institution of Sukoharjo Regency which has its position as an element Regional Government administrators.**
5. **Limited Liability Company, hereinafter referred to as a company, is a legal entity which is a capital partnership, established based on an agreement, carrying out business activities with authorized capital which is entirely divided into shares and meets the requirements stipulated in Law Number 40 of 2007 concerning Limited Liability Companies and its implementing regulations. .**
6. **People's Credit Bank, hereinafter abbreviated as BPR, is a bank that carries out business activities on a regular basis conventional which in its activities does not provide services in payment traffic as intended in the law regarding banking.**
7. **Regional Owned Enterprises, hereinafter abbreviated BUMD is a Regional Owned Enterprise and/or entity other laws where all and/or part of the capital comes from the Regional Government.**
8. **Regional People's Credit Bank Company Bank Sukoharjo, hereinafter referred to as PT BPR Bank Sukoharjo (Perseroda) is a BUMD in the form of a limited liability company whose capital is divided into shares, all of which are owned by the Sukoharjo Regency Government.**
9. **Branch Office, namely the PT BPR Bank Sukoharjo (Perseroda) office which is directly responsible to the head office of the PT BPR Bank Sukoharjo (Perseroda) concerned, with a clear business address where the Branch Office conducts its business.**
10. **The General Meeting of Shareholders, hereinafter abbreviated to GMS, is the organ of a Regional company which holds the highest authority in a Regional company and holds all authority which is not delegated to the Directors or Commissioners.**
11. **The Board of Directors is an Organ of PT. BPR Bank Sukoharjo (Perseroda) has full authority and responsibility for managing the company for the company's interests, in accordance with the company's aims and objectives and representing the company, both inside and outside the court in accordance with the provisions of the articles of association.**

12. **Commissioners are PT Organs. BPR Bank Sukoharjo (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. **Core Capital is the core capital as intended in the Financial Services Authority Regulation regarding the obligation to provide minimum capital and fulfill the minimum core capital for BPRs.**
14. **Authorized capital is the maximum share value that can be issued by PT BPR Bank Sukoharjo (Perseroda).**
15. **Paid-in capital is the capital participation obligation that has been fulfilled by shareholders.**
16. **Governance is the governance of PT BPR Bank Sukoharjo (Perseroda) which applies the principles of openness , accountability , responsibility , independence *and* fairness .**

17. **Executive Officers are officials who are directly responsible to the board of directors or have influence on the policies and operations of PT BPR Bank Sukoharjo (Perseroda), including branch office leaders, division heads, section heads, managers and/or other equivalent officials.**

18. **The Audit Committee is a committee that assists the implementation of the duties and responsibilities of Commissioners related to internal and external audits.**
19. **The Risk Monitoring Committee is a committee that assists the implementation of the duties and responsibilities of Commissioners related to the implementation of risk management.**
20. **The Remuneration and Nomination Committee is a committee that assists the implementation of the duties and responsibilities of Commissioners related to remuneration and nominations.**
21. **Merger is a legal act carried out by one or more companies to merge with another existing company which results in the assets and liabilities of the merging companies**

The self is transferred by law to the company that accepts the merger and then the legal entity status of the merging company ends by law.

22. Consolidation is a legal act carried out by two or more companies to merge themselves by establishing a new company which, by law, acquires the assets and liabilities of the merging company and the legal entity status of the merging companies ends by law.
23. Takeover is a legal action carried out by a legal entity or private company to take over the company's shares which results in the transfer of control over the company.

CHAPTER II
NAME AND DOMINANCE

Section 2

With this Regional Regulation, the Regional Liability Company, Rural Bank, Bank Sukoharjo, changed its legal entity form to PT BPR Bank Sukoharjo (Perseroda).

Article 3

- (1) PT BPR Bank Sukoharjo (Perseroda) is domiciled and has its head office in the Region.)
- (2) PT BPR Bank Sukoharjo (Perseroda) can develop a business and open a Branch office or Cash Office, Service System (*Payment Point*) in the Central Java Province area.
- (3) Business development and office opening as referred to in paragraph (2) are carried out in accordance with the provisions of statutory regulations.

CHAPTER III
PRINCIPLES, OBJECTIVES, FUNCTIONS AND OBJECTIVES

Article 4

PT BPR Bank Sukoharjo (Perseroda) in carrying out its business activities, is based on economic democracy by using the principle of prudence.

Article 5

PT BPR Bank Sukoharjo (Perseroda) was established with the aim of increasing its role and function as well as competitiveness in anticipating regional, national and/or international economic developments.

Article 6

PT BPR Bank Sukoharjo (Perseroda) functions as intermediation institution in the financial sector by carrying out business as a people's credit bank.

Article 7

PT BPR Bank Sukoharjo (Perseroda) was established with the aim of:

- a. provide benefits for economic development Area;**
- b. expanding financial access to regional institutions and society;**
- c. encourage financing of micro, small and medium enterprises which is effective, efficient and efficient in accordance with the provisions of laws and regulations;**
- d. establishing BPR with good corporate governance principles; And**
- e. make a profit or profit.**

CHAPTER IV

BUSINESS ACTIVITIES

Article 8

PT BPR Bank Sukoharjo (Perseroda) business activities include:

- a. collect funds from the government and the public in the form of savings, in the form of time deposits, savings, and/or other equivalent forms;**
- b. providing credit, including people's business credit and/or regional people's business credit, as well as providing guidance to micro, small and medium business entrepreneurs;**
- c. collaborate with financial institutions and other institutions; d. placing funds in financial institutions and other institutions;**
- e. assist local governments in optimizing the distribution of funds for programs and activities in accordance with statutory provisions;**

- f. assist the village government in carrying out the function of village cash holder and as a channel for village fund allocations in accordance with statutory provisions; And
- g. carry out other banking businesses in accordance with statutory provisions.

CHAPTER V
CAPITAL

Article 9

- (1) The capital sources of PT BPR Bank Sukoharjo (Perseroda) consist of on:
 - a. Regional capital participation;
 - b. grant; And
 - c. other sources of capital.
- (2) Other sources of capital as referred to in paragraph (1) letter c, includes:
 - a. reserve capitalization;
 - b. asset revaluation gains; And
 - c. share premium.
- (3) The capital sources of PT BPR Bank Sukoharjo (Perseroda) as referred to in paragraphs (1) and (2) are regulated in accordance with the provisions of statutory regulations.
- (4) Capital sourced from Regional capital participation as in paragraph (1) letter a is the limit of Regional responsibility for PT BPR Bank losses Sukoharjo (Perseroda).

Article 10

- (1) The authorized capital of PT BPR Bank Sukoharjo (Perseroda) is set at IDR 75,000,000,000.00 (seventy-five billion rupiah).
- (2) From the authorized capital as intended in paragraph (1), the paid-up capital is IDR 29,999,812,418.00 (twenty-nine billion nine hundred ninety-nine million eight hundred twelve thousand four hundred and eighteen rupiah).

- (3) Changes in authorized capital and/or paid-up capital as intended in paragraph (1) and paragraph (2) are then determined at the GMS in accordance with the provisions of statutory regulations.

CHAPTER VI

ARTICLES OF ASSOCIATION AND AMENDMENTS TO ARTICLES OF ASSOCIATION

Article 11

- (1) The articles of association of PT BPR Bank Sukoharjo (Perseroda) contain at least:
- a. name and domicile of PT BPR Bank Sukoharjo (Perseroda);
 - b. aims and objectives and business activities of PT BPR Bank Sukoharjo (Perseroda);
 - c. the period of establishment of PT BPR Bank Sukoharjo (Perseroda);
 - d. the amount of authorized capital, issued capital, and paid-up capital;
 - e. number of shares, share classification if any as follows number of shares for each classification, the rights attached to each share, and the nominal value of each share;
 - f. name of position and number of members of the Board of Directors and Members Commissioner;
 - g. determining the place and procedures for holding it GMS;
 - h. procedures for appointing, replacing and dismissing members of the Board of Directors and Members of the Board of Commissioners; And
 - i. procedures for using profits and distributing dividends.
- (2) The period for the establishment of the Company as regulated in paragraph (1) letter c, is established for an unlimited period of time.
- (3) In addition to the provisions as intended in paragraph (1) The articles of association may also contain other provisions that do not conflict with statutory regulations.

Article 12

- (1) Changes to the articles of association are determined by the GMS.
- (2) Events regarding changes to the articles of association must be stated clearly in the summons to the GMS.

Article 13

- (1) Changes to certain articles of association must be approved by the Minister whose duties and responsibilities are in the field of law and human rights.
- (2) Changes to certain articles of association as follows referred to in paragraph (1) includes:
 - a. name and/or domicile of PT BPR Bank Sukoharjo (Perseroda);
 - b. aims and objectives and business activities of PT BPR Bank Sukoharjo (Perseroda);
 - c. the period of establishment of PT BPR Bank Sukoharjo (Perseroda);
 - d. the amount of authorized capital; e. reduction in issued and paid-up capital.
- (3) Changes to the articles of association other than those referred to in paragraph (2) need to be notified to the Minister.
- (4) Amendments to the articles of association as intended in paragraph (2) and paragraph (3) are contained or stated in a notarial deed in Indonesian.

CHAPTER VII ORGAN

Part One General

Article 14

- (1) The organs of PT BPR Bank Sukoharjo (Perseroda) consist of:
 - a. GMS; b. Commissioner; and
 - c. Directors.
- (2) The organs as intended in paragraph (1) are implemented in accordance with the provisions of the laws and regulations governing limited liability companies.

The second part AGM

Article 15

- (1) The Regent represents the regional government in ownership Regional assets are separated into PT BPR Bank Sukoharjo (Perseroda) and have the authority to make decisions.

(2) The authority to make decisions as intended in paragraph (1) can be delegated to the leadership of regional apparatus through:

a. mandate authority, for related policies:

- 1. changes to the articles of association;**
- 2. transfer of fixed assets;**
- 3. cooperation;**
- 4. investment, financing, formation of subsidiaries and/or capital participation;**
- 5. Regional Government capital participation comes from reserve capitalization, asset revaluation profits and share premium;**
- 6. appointment and dismissal of Commissioners and Directors;**
- 7. income of Commissioners and Directors;**
- 8. determining the amount of use of profits;**
- 9. ratification of the annual report;**
- 10. merger, separation, consolidation, takeover and dissolution; And**
- 11. Asset collateral amounts to more than 50% (fifty percent) of total net assets in 1 (one) or more transactions.**

b. delegation authority, regarding policies other than those referred to in paragraph (2) letter a.

(3) The party receiving the mandate and delegation as intended in paragraph (2) must first obtain the approval of the Regent to make decisions regarding the following matters:

- a. changes to the articles of association;**
- b. changes in the amount of capital;**
- c. transfer of fixed assets;**
- d. use of profits;**
- e. long-term investment and financing;**
- f. collaboration with PT BPR Bank Sukoharjo (Perseroda);**
- g. merger, separation, consolidation, takeover and dissolution of PT BPR Bank Sukoharjo (Perseroda).**

- (4) In the GMS forum, shareholders have the right to obtain information relating to PT BPR Bank Sukoharjo (Perseroda) from the Board of Directors and/or Members Commissioner, as long as it is related to the meeting agenda and does not conflict with the interests of PT BPR Bank Sukoharjo (Perseroda).**
- (5) The GMS is held at the domicile of PT BPR Bank Sukoharjo (Perseroda) or at the place where PT BPR Bank Sukoharjo (Perseroda) carries out its main business activities as specified in the articles of association.**
- (6) Every time a GMS is held as referred to in paragraph (5), minutes of the meeting must be prepared which are approved and signed by all GMS participants.**
- (7) The procedures for holding a GMS are further regulated in the articles of association and the governing laws regarding Limited Liability Companies.**

Article

16

- (1) The GMS consists of the annual GMS and other GMS.**
- (2) The annual GMS must be held no later than 4 (four) months after the financial year ends.**
- (3) At the annual GMS, all documents from the annual report of PT BPR Bank Sukoharjo (Perseroda) must be submitted by the Board of Directors after being reviewed by the Commissioners.**
- (4) Other GMS can be held at any time based on needs for the benefit of PT BPR Bank Sukoharjo (Perseroda).**

Part Three

Commissioner Member

Article 17

- (1) Commissioners are appointed by the GMS.**
- (2) There are at least 2 (two) members of the Board of Commissioners and a maximum of the same as the number of members of the Board of Directors and one of them serves as President Commissioner.**
- (3) Membership of Commissioners can be from independent elements and regional government officials who are not tasked with carrying out public services, preferably officials who carry out evaluation, guidance and supervision of BUMD.**

- (4) The term of office of a Commissioner is a maximum of 4 (four) years and can be reappointed for 1 (one) term of office if they are deemed capable of carrying out their duties well during their term of office.**
- (5) Commissioners can form a secretariat financed by PT BPR Bank Sukoharjo (Perseroda).**
- (6) The secretariat's duties as referred to in paragraph (5) are to assist the smooth implementation of the Member's duties Commissioner.**

Article 18

To be appointed as a Commissioner, you must meet the following requirements:

- a. Indonesian citizens;**
- b. have faith in God Almighty;**
- c. loyal and obedient to Pancasila and the Law Foundation 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. competence;**
- g. good financial reputation; h. understand the administration of Regional government; i. understand company management related to one of the management functions;**
- j. provide sufficient time to carry out his duties;**
- 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 led is declared bankrupt; o. never been convicted of a criminal offense which 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 19

- (1) Integrity requirements as intended in Article 18 letters e include:**
 - a. have good morals and morals;**
 - b. have a commitment to comply with statutory regulations;**
 - c. has a high commitment to the healthy operational development of PT BPR Bank Sukoharjo (Perseroda); And**
 - d. not included in the Failed List.**
- (2) Competency requirements as intended in Article 18 letter f include:**
 - a. have adequate knowledge in the banking sector that is relevant to the position; And**
 - b. have experience in banking for at least 2 (two) years.**
- (3) In the event that experience in the banking sector as referred to in paragraph (2) letter b is not met but there is greater than or equal to 50% (fifty percent) of the number of Commissioners who have experience in the banking sector and other Commissioners can have experience in other fields.**
- (4) Financial reputation requirements as intended in Article 18 letter g includes:**
 - a. not included in the list of bad debts; And**
 - b. has never been declared bankrupt or become a member Supervisory Board or Commissioners who are found guilty of causing a company to be declared bankrupt, within 5 (five) years before being nominated.**

Article 20

- (1) Commissioners are prohibited from having family relationships with:**
 - a. Other Commissioners in parental relationships include in-laws, children, in-laws, siblings, in-laws and husband/wife; And**
 - b. members of the board of directors in their relationships as parents, children and husband/wife, in-laws, sons-in-law and siblings.**

- (2) Commissioners are prohibited from having direct or indirect personal interests in PT BPR Bank Sukoharjo (Perseroda).**
- (3) Commissioners are prohibited from having direct or indirect personal interests in legal entities or individuals given credit by PT BPR Bank Sukoharjo (Perseroda).**
- (4) Regent and Deputy Regent are prohibited from serving as Commissioner Member.**

Article 21

- (1) The process for selecting Commissioners is carried out through selection.**
- (2) The selection as intended in paragraph (1) includes at least:
 - a. administrative selection;**
 - b. Fit and Proper Test (UKK); And**
 - c. final interview.****
- (3) The provisions regarding selection as intended in paragraph (1) do not apply to the re-appointment of Commissioners who are deemed capable of carrying out their duties well during their term of office.**
- (4) Candidates for Commissioners who are declared to have passed the selection as referred to in paragraph (2) and reappointment of Commissioners as referred to in paragraph (3) must sign a performance contract before being appointed as a Commissioner.**
- (5) Assessment of the ability to carry out the duties well as intended in paragraph (3) of at least:
 - a. implementation of supervision;**
 - b. providing input and suggestions on Company management;**
 - c. implementation of good corporate governance;**
 - d. anticipating and/or minimizing fraud; and e. happen fulfillment of****targets in performance contracts.****
- (6) Further provisions regarding the selection of commissioner members as intended in paragraph (2) are regulated with the Regent's Regulations.**

Article 22

Commissioners are required to carry out their duties and responsibilities independently.

Article 23

- (1) Commissioners are tasked with:**
- a. supervising PT BPR Bank Sukoharjo (Perseroda); And**
 - b. supervise and provide advice to the Board of Directors in carrying out the management of PT BPR Bank Sukoharjo (Perseroda).**
- (2) Apart from carrying out the duties as referred to in paragraph (1) The Main Commissioner is tasked with:**
- a. prepare the Commissioner's work program;**
 - b. chairing meetings of commissioners;**
 - c. developing commissioner members; And**
 - d. carry out duties in accordance with statutory regulations.**
- (3) Supervision as intended in paragraph (1) letter a For:**
- a. ensure the implementation of good corporate governance; and b. ensure**
- the implementation of follow-up actions on audit results from the Financial Audit Agency and other audit institutions.**
- (4) Commissioners are required to:**
- a. report the results of supervision to the holder shares/GMS; And**
 - b. create and maintain meeting minutes.**
- (5) Supervision as intended in paragraph (2) carried out by:**
- a. periodically according to a predetermined schedule; And**
 - b. at any time according to need.**

Article 24

Commissioners have the following powers:

- a. examine the business strategy plan (*corporate plan*), annual work plan and budget of PT BPR Bank Sukoharjo (Perseroda) before submitting it to shareholders/GMS for approval;**
- b. examine the balance sheet and profit and loss report submitted by the Board of Directors to obtain approval from shareholders/GMS;**
- c. provide considerations and suggestions, solicited or unsolicited, to shareholders/GMS for the improvement and development of PT BPR Bank Sukoharjo (Perseroda);**
- d. assess the performance of the Board of Directors in managing PT BPR Bank Sukoharjo (Perseroda);**
- e. request information from the Board of Directors regarding matters relating to the supervision and management of PT BPR Bank Sukoharjo (Perseroda);**
- f. propose the appointment, temporary dismissal, rehabilitation and dismissal of members of the Board of Directors to the shareholders/GMS; And**
- g. appoint one or more experts to carry out certain tasks.**

Article 25

- (1) Commissioners in carrying out their duties and authority are responsible to the shareholders/GMS.**
- (2) Accountability of Commissioners is carried out in writing signed by the main commissioner and members of the commissioners.**

Article 26

Commissioners are required to provide regular reports to shareholders/GMS and the local Financial Services Authority regarding the implementation of their duties at least once every 6 (six) months and a copy of this is submitted to the Minister of Home Affairs.

Article 27

The Commissioner's term of office ends if:

- a. die;**

- b. his term of office ends; or
- c. dismissed at any time.

Article 28

- (1) Commissioners whose term of office ends as referred to in Article 27 letter b, 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 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 intended in paragraph (1) is the basis for consideration by the GMS to extend or dismiss Commissioner Members.
- (4) Report on the management of duties at the end of the member's term of office Commissioners 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 to the GMS.
- (5) In the event of a vacancy in the positions of all Commissioners, the supervisory duties of PT BPR Bank shall be carried out Sukoharjo (Perseroda) implemented by the GMS.

Article 29

- (1) In the event that the position of a Commissioner is terminated due to dismissed at any time as intended in Article 27 letter c, the said dismissal must be accompanied by a reason for the dismissal.
- (2) Dismissal of a Commissioner member as intended in paragraph (1) is carried out if based on data and information that can be legally proven, the member

The Commissioner concerned:
 - a. unable to carry out duties;
 - b. does not implement statutory regulations and provisions of the articles of association;
 - c. involved in fraudulent acts that result in losses to PT BPR Bank Sukoharjo (Perseroda), the State, and/or the Region;
 - d. declared guilty by a court decision that has permanent legal force;

e. resign; f. no longer

fulfills the requirements as a Commissioner in accordance with statutory provisions; and/or

g. not re-elected in the event of changes in Regional Government policy such as restructuring, liquidation, acquisition and dissolution.

Article 30

(1) Commissioners are dismissed by the GMS.

(2) The GMS regulates the technical implementation of the 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.

Article 31

(1) The income of Commissioners is determined by the holder shares/GMS.

(2) The income of Commissioners as referred to in paragraph (1) consists of: a. honorarium;

b. allowance;

c. facility; and/or

d. bonus or performance incentive.

Article 32

(1) Commissioners are given an honorarium:

a. President Commissioner, a maximum of 40% (forty percent) of the President Director's income; And

b. Commissioners, a maximum of 80% (eighty percent) of the Main Commissioner's honorarium.

(2) Commissioners are given allowances: a.

holiday allowance according to PT's capabilities BPR Bank Sukoharjo (Perseroda); And

b. health benefits in the form of health insurance according to the capabilities of PT BPR Bank Sukoharjo (Perseroda).

- (3) In the event that a Commissioner Member has received health benefits from another institution as a result of his/her position, the Commissioner Member does not receive it allowance as intended in paragraph (2) letter b.**
- (4) Commissioners may be given bonus money the amount is a maximum of 40% (forty percent) of that received by the President Director.**
- (5) Commissioners may be provided with community service.**
- (6) Service services as intended in paragraph (5) are obtained from profits before tax is deducted, after audited from the year before the end of their term of office is a maximum of 40% (forty percent) of what is received by members of the Board of Directors in comparison to the honorarium received as referred to in paragraph (1).**
- (7) Commissioners who are honorably dismissed before their term of office ends, receive service on the condition that they have carried out their duties at least 1 (one) year.**
- (8) The amount of service fees as referred to in paragraph (5) is based on the calculation of the length of service divided by the specified term of office.**
- (9) Providing the amount of income, service and bonus money takes into account aspects of transparency, accountability, efficiency, effectiveness, propriety, fairness and rationality and is in accordance with the company's capabilities.**
- (10) The honorarium income for Commissioners is regulated in the articles of association.**

**Part Four
Directors**

Article 33

- (1) The members of the board of directors are at least 2 (two) people to a maximum of 5 (five) people and one of them serves as President Director.**
- (2) Directors are appointed and dismissed by the GMS for a maximum term of office of 5 (five) years and can be reappointed for 1 (one) term of office.**
- (3) If members of the board of directors have special skills and/ or excellent achievements, they can be appointed for a third term of office.**

- (4) Assessment of task capabilities as referred to in paragraph (3) at least fulfills the following**
- criteria:**
- a. exceeding the realization target for the business plan and work of PT BPR Bank Sukoharjo (Perseroda);**
 - b. increasing audit opinion on the company's financial statements or being able to maintain an Unqualified Audit Opinion for 3 (three) consecutive years at the end of the leadership period;**
 - c. all monitoring results have been followed up in accordance with statutory provisions; And**
 - d. fulfillment of targets in the performance contract of 100% (one hundred percent) for 2 (two) leadership periods.**

Article 34

- To be appointed as a member of the Board of Directors, the person concerned must meet the requirements including:**
- a. Indonesian citizens;**
 - b. have faith in God Almighty;**
 - c. loyal and obedient to Pancasila and the Law Foundation 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. competence;**
 - 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 led is declared bankrupt;
- o. never been convicted of a criminal offense which 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) Integrity requirements as referred to in Article 34 letter e includes:

- a. have good morals and morals;
- b. have a commitment to comply with the provisions legislation;
- c. have high commitment towards the development of healthy BPR operations; And
- d. not included in the Failed List.

(2) Competency Requirements as referred to in Article 34 letter f includes:

- a. have adequate knowledge in the banking sector that is relevant to the position; and b. have experience in banking for at least 2 (two) years.

(3) Financial reputation requirements as intended in Article 34 letter g includes:

- a. not included in the list of bad debts; And
- b. has never been declared bankrupt or become a member Directors who are found guilty of causing a company to be declared bankrupt, within 5 (five) years before being nominated.

Article 36

(1) Directors are prohibited from having family relationships with:

- a. Commissioners in relationships as parents including in-laws, children including in-laws, siblings including in-laws and husband/wife; And

- b. Other members of the Board of Directors in their relationships as parents, children and husband/wife, in-laws, in-laws and siblings.**
- (2) Directors are prohibited from having direct or indirect personal interests in the Company or Legal Entities/Individuals who are given credit by the Company.**
- (3) Members of the Board of Directors are prohibited from holding concurrent positions at Banks and/or other companies, except as administrators of BPR industry associations and/or educational institutions in order to increase the competence of BPR human resources and as long as this does not interfere with the implementation of their duties as members of the BPR Board of Directors.**

Article 37

- (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) includes at least:**
 - a. administrative selection;**
 - b. Fit and Proper Test (UKK); And**
 - c. final interview.**
- (3) The provisions regarding selection as intended in paragraph (1) do not apply to the re-appointment of Directors who are deemed capable of carrying out their duties well during their term of office.**
- (4) Candidates for members of the Board of Directors who are declared to have passed the selection as intended in paragraph (2) and appointment Returning members of the board of directors as referred to in paragraph (3) are required to sign a performance contract before being appointed as members of the Board of Directors.**
- (5) Further provisions regarding selection procedures as referred to in paragraph (2) are regulated in a Regent's Regulation.**

Article 38

Members of the board of directors who come from PT BPR Bank Sukoharjo (Perseroda) will automatically have their employment status terminated.

Article 39

(1) The Board of Directors is tasked with:

- a. carry out management of PT BPR Bank Sukoharjo (Perseroda) including:
 1. prepare a plan;
 2. administration/management; And
 3. supervision of operational activities.
 - b. determine policies to carry out the management and administration of PT BPR Bank Sukoharjo (Perseroda) based on general policies determined by the Commissioners;
 - c. prepare and submit the Annual Work Plan and Budget of PT BPR Bank Sukoharjo (Perseroda) to shareholders/GMS through Commissioners which includes regulations in the fields of organization, planning, credit, finance, personnel, general and supervision to obtain approval;
 - d. prepare and submit a report on the calculation of business results and activities of PT BPR Bank Sukoharjo (Perseroda);
 - e. prepare and submit an annual report consisting of a Balance Sheet and Profit and Loss Report to shareholders/GMS through the Commissioners to obtain approval; And
 - f. carry out other duties in accordance with the provisions legislation.
- (2) The Board of Directors as referred to in paragraph (1) may collaborate with other parties in efforts to develop PT BPR Bank Sukoharjo (Perseroda).

Article 40

The Board of Directors has the authority to:

- a. managing the assets of PT BPR Bank Sukoharjo (Perseroda);
- b. appoint and dismiss employees based on the PT BPR Bank Sukoharjo (Perseroda) Personnel Regulations;
- c. determine the organizational structure and work procedures of PT BPR Bank Sukoharjo (Perseroda) with the approval of the Commissioners;
- d. representing PT BPR Bank Sukoharjo (Perseroda) inside and outside the court;

- e. appoint someone or more to do it certain legal actions on behalf of PT BPR Bank Sukoharjo (Perseroda), if deemed necessary;
- f. open a branch office or cash office with the approval of shareholders/GMS through the Commissioners and in accordance with statutory provisions;
- g. buy, sell or otherwise acquire or dispose of rights to assets belonging to the Company which are the result of the management of PT BPR Bank Sukoharjo (Perseroda) based on the approval of shareholders/GMS at the consideration of the Commissioners in accordance with the provisions of statutory regulations;
- h. determine the official travel costs for Commissioners and Directors and employees of PT BPR Bank Sukoharjo (Perseroda);
- i. determine the personnel management of PT BPR Bank Sukoharjo (Perseroda); And
- j. carry out other authorities in accordance with the provisions legislation.

Article 41

- (1) Distribution of duties and authority of members of the Board of Directors stipulated in the articles of association.
- (2) Members of the Board of Directors in carrying out their duties and authority as intended in Article 39 paragraph (1) and Article 40 are responsible to the shareholders/GMS through the Commissioners.
- (3) The periodic accountability of the Board of Directors as referred to in paragraph (2) is carried out in writing signed by each member of the Board of Directors.

Article 42

- (1) The Board of Directors consists of the President Director and members of the Board of Directors or the main director and also members of the Board of Directors.
- (2) The Main Director as referred to in paragraph (1) has the task of carrying out planning and coordination in carrying out the duties of the Board of Directors as well as providing guidance and control over the PT BPR Bank Sukoharjo (Perseroda) Work Unit.
- (3) In carrying out the duties as intended in paragraph (2), each member of the Board of Directors has the authority regulated by the Board of Directors Regulations.

- (4) If all members of the Board of Directors are forced to be away/unavailable for more than 6 (six) working days, the Board of Directors appoints 1 (one) Structural Official of PT BPR Bank Sukoharjo (Perseroda) as acting Director's duties.**
- (5) Appointment of Structural Officials of PT BPR Bank Sukoharjo (Perseroda) as intended in paragraph (4) is determined in the Directors' Decree and is known to the Commissioners and notified to the holder shares/GMS.**
- (6) The Board of Directors' decision as intended in paragraph (5) is determined no later than 15 (fifteen) days.**

Article 43

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

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

Article 44

- (1) In the event that the position of a member of the Board of Directors ends because their term of office ends as referred to in Article 43 letter b, the member of the Board of Directors is obliged to 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) are required to report the remaining implementation of their management duties which have not been reported no later than 1 (one) month after the end of their term of office.**
- (3) Based on the end of term assignment management report as referred to in paragraph (2), the Member Commissioners are required to submit assessments and recommendations on the performance of the Board of Directors to the GMS.**
- (4) Reports as intended in paragraph (2) as well as assessments and recommendations as intended in paragraph (3) as a basis for consideration by the GMS to extend or dismiss members of the Board of Directors.**
- (5) Report on the management of duties at the end of the member's term of office 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 GMS.**

Article 45

- (1) In the event that the position of a member of the Board of Directors ends due to being dismissed at any time as intended in Article 43 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 intended in paragraph (1) is carried out if based on data and information that can be legally proven, the member Directors concerned:**
 - a. unable to carry out duties;**
 - b. does not implement the provisions of statutory regulations and/or the provisions of the articles of association;**
 - c. involved in fraudulent acts that result in losses to PT BPR Bank Sukoharjo (Perseroda), the State, and/or the Region;**
 - d. declared guilty by a court decision that has permanent legal force;**
 - e. resign;**
 - f. no longer meets the requirements as a member of the Board of Directors in accordance with statutory provisions; and/or**
 - g. was not re-elected due to changes in Regional Government policy regarding restructuring, liquidation, acquisition and dissolution of PT BPR Bank Sukoharjo (Perseroda).**

Article 46

- (1) The Directors are dismissed by the GMS.**
- (2) The GMS regulates the technical implementation of the 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.**

Article 47

- (1) In the event of a vacancy in the positions of all members of the Board of Directors, the management of PT BPR Bank Sukoharjo (Perseroda) is carried out by the Commissioners.**

- (2) Commissioners can appoint officials from internal PT BPR Bank Sukoharjo (Perseroda) to assist in carrying out the duties of the Directors until the appointment of definitive Directors within a maximum of 6 (six) months.**
- (3) In the event of a vacancy in the positions of all members of the Board of Directors and all members of the Board of Commissioners, the management of the Company is carried out by the Regent.**
- (4) The Regent can appoint officials from internal PT BPR Bank Sukoharjo (Perseroda) to assist in the implementation of management duties up to the appointment of definitive Commissioners and Directors for a maximum of 6 (six) months.**
- (5) Executors of management duties as intended in paragraph (4) are prohibited from:**
 - a. carry out sales and disposal of PT BPR assets Bank Sukoharjo (Perseroda);**
 - b. change *the corporate* plan/business plan without shareholder/GMS approval through the Commissioners;**
 - c. changing the budget without shareholder/GMS approval through the Commissioners;**
 - d. adding or reducing employees without shareholder/GMS approval through Commissioners;**
 - e. make investments or divestments without shareholder/GMS approval through the Commissioners; And**
 - f. opening and closing branches without shareholder/GMS approval through Commissioners.**

Article 48

- (1) The Board of Directors' income is determined by the holder shares/GMS.**
- (2) The Directors' income as referred to in paragraph (1) consists of:**
 - a.**
wages; b. allowance;
 - c. facility; and/or**
 - d. bonus or work incentive.**

Article 49

(1) Members of the Board of Directors are given income which includes:

a. The basic salary is:

1) Main Director no more than 2.5 (two point five) times the highest basic salary on the employee basic salary scale list; And

2) Each member of the Board of Directors shall receive a maximum of 80% (eighty percent) of the basic salary received by the President Director.

b. performance allowance in accordance with PT BPR's capabilities Bank Sukoharjo (Perseroda); c.

wife/husband and child support; d.

position allowance with a maximum amount of 1 (one) times the basic salary;

e. health benefits in the form of appropriate health insurance including wife/husband and children according to the capabilities of PT BPR Bank Sukoharjo (Perseroda); And

f. holiday allowance according to the capabilities of PT BPR Bank Sukoharjo (Perseroda).

(2) Apart from receiving income as intended in paragraph (1), members of the Board of Directors are also given:

a. official housing facilities complete with standard furniture or replacement for house rental according to the capabilities of PT BPR Bank Sukoharjo (Perseroda).

b. official vehicle facilities or replacement vehicle rental according to the capabilities of PT BPR Bank Sukoharjo (Perseroda).

c. representation funds which amount to a maximum of 75% (seventy five percent) of the total basic salary of the Directors 1 (one) year ago, the use of which is regulated by the Directors efficiently and effectively for the development of PT BPR Bank Sukoharjo (Perseroda). d. the use of representative funds

as intended in the paragraph is accounted for by written evidence in the form of an integrity pact. (2) letter c

e. At the end of each term of office you receive service fees.

(3) Every month the President Director can be given operational support funds with a maximum amount of 1 (one) month's salary that is accounted for in real terms.

Article 50

- (1) Service services as intended in Article 49 paragraph (2) letter e, the amount of which is 5% (five percent) is calculated from profits before tax deductions after being audited from the year before the end of their term of office with a ratio of members of the Board of Directors receiving 80% (eighty percent) of the President Director.**
- (2) Members of the Board of Directors who are honorably dismissed before the end of their term of office receive service fees service as intended in paragraph (1) with the condition that they have carried out their duties for at least 1 (one) year with the calculation of the length of service divided by the term of office times 5% (five percent) calculated from profits before tax deductions after being audited from the year before their duties end.**

Article 51

The amount of income is given based on the principles of fairness, efficiency, effectiveness and capability of PT BPR Bank Sukoharjo (Perseroda).

**CHAPTER VIII
GOVERNANCE****Article 52**

- (1) PT BPR Bank Sukoharjo (Perseroda) is obliged to implement Governance in all its business activities at all levels or levels of the organization.**
- (2) The implementation of Governance as intended in paragraph (1) must at least be realized in the following form:**
 - a. implementation of the duties and responsibilities of the Board of Directors;**
 - b. implementation of the duties and responsibilities of Commissioners;**
 - c. completeness and implementation of tasks or functions committee;**
 - d. handling conflicts of interest;**
 - e. implementation of compliance, internal audit and audit functions external;**
 - f. implementation of risk management, including internal control systems;**

g. maximum credit limit; h. business plan;

And

i. transparency of financial and non-financial conditions.

(3) The implementation of Governance is regulated in the articles of association in accordance with applicable statutory provisions.

**CHAPTER IX
COMMITTEES**

Article 53

(1) In order to assist in the implementation of their duties and responsibilities, Commissioners at PT BPR Bank Sukoharjo (Perseroda), if the core capital has reached at least IDR 80,000,000,000.00 (eighty billion rupiah) are required to form:

a. Audit Committee; And

b. Risk Monitoring Committee.

(2) Commissioners can form a Remuneration Committee and Nominations in order to assist in carrying out their duties and responsibilities.

(3) The appointment of Committee members as referred to in paragraph (1) and paragraph (2) is carried out by the Board of Directors based on the decision of the Board of Commissioners meeting.

(4) Members of the Commissioners are obliged to ensure that the Committees as intended in paragraph (1) and paragraph (2) which have been formed, carry out their duties effectively.

(5) Provisions regarding committee structure and membership, concurrent position of chairman of the committee, duties and responsibilities of the committee, and committee meetings as referred to in paragraph (1) and paragraph (2) in accordance with the provisions of statutory regulations.

**CHAPTER X
COMPLIANCE, INTERNAL AUDIT AND EXTERNAL AUDIT FUNCTIONS**

Article 54

(1) PT BPR Bank Sukoharjo (Perseroda) is obliged to ensure compliance with Financial Services Authority regulations and other statutory regulations.

(2) PT BPR Bank Sukoharjo (Perseroda) is obliged to effectively implement internal audit and external audit functions.

- (3) Provisions regarding the compliance function and assignment of members of the Board of Directors who oversee the compliance function of PT BPR Bank Sukoharjo (Perseroda), Internal Audit Function and External Audit Function are regulated in the articles of association.**

**CHAPTER XI
EMPLOYEE**

Article 55

Employees of PT BPR Bank Sukoharjo (Perseroda) are workers whose appointment, dismissal, position, rights and obligations are in accordance with the Directors' Decision.

Article 56

- (1) Employees of PT BPR Bank Sukoharjo (Perseroda) obtain fair and reasonable income in accordance with their expenses work, responsibility, and performance.**
- (2) The Board of Directors determines the income of PT BPR Bank Sukoharjo (Perseroda) employees in accordance with the work plan and budget.**
- (3) Employee income as intended in paragraph (1) consists of:**
- a. wages;**
 - b. allowance;**
 - c. facility; and/or**
 - d. production services or employment incentives.**

Article 57

PT BPR Bank Sukoharjo (Perseroda) includes its employees in health insurance, old age security and other social security programs in accordance with statutory provisions.

Article 58

- (1) In order to increase employee competency, PT BPR Bank Sukoharjo (Perseroda) is implementing a human resource capacity building program.**
- (2) PT BPR Bank Sukoharjo (Perseroda) allocates costs for developing human resource capacity of at least 5% (five percent) of the realization of human resource costs in the previous year.**

Article 59

PT BPR Bank Sukoharjo (Perseroda) employees are prohibited from becoming political party administrators.

Article 60

Further provisions regarding PT BPR Bank Sukoharjo (Perseroda) personnel are regulated by Directors Regulations.

CHAPTER XII

PLANNING AND REPORTING)

Article 61

- (1) The Board of Directors is obliged to prepare a business plan that will achieved within a period of 5 (five) years.**
- (2) The business plan as intended in paragraph (1) contains at least:**
 - a. evaluate the results of previous business plans;**
 - b. the current condition of PT BPR Bank Sukoharjo (Perseroda);**
 - c. assumptions used in preparing the plan business;**
 - d. vision, mission, strategic targets, policies and programs Work;**
 - e. stakeholder values and expectations ; f. Financial projections; And**
 - g. plan for the use of social and environmental responsibility funds/ corporate *social responsibility*.**
- (3) The business plan as intended in paragraph (1) which has been signed with the Commissioners is submitted to the GMS for approval.**
- (4) The BPR business plan as intended in paragraph (3) is the basis for the performance contract agreement.**

Article 62

- (1) The Board of Directors is obliged to prepare an annual work plan and budget for PT BPR Bank Sukoharjo (Perseroda) which is an annual elaboration of the business plan.**

- (2) PT BPR Bank's annual work plan and budget Sukoharjo (Perseroda) as intended in paragraph (1) contains at least:**
 - a. detailed plan of work program and annual budget;**
And
 - b. other matters that require a GMS Decision.**
- (3) The annual work plan and budget of PT BPR Bank Sukoharjo (Perseroda) which has been signed with the Commissioners is submitted to the shareholders/GMS for approval.**

Article 63

- (1) In the event that up to the beginning of the financial year, the GMS does not provide approval, the annual work plan and budget of PT BPR Bank Sukoharjo (Perseroda) are declared valid.**
- (2) Changes to PT BPR's annual work plan and budget Bank Sukoharjo (Perseroda) in the relevant financial year must receive approval at the GMS.**
- (3) The BPR's annual work plan and budget that has been approved by the GMS is submitted to the Leadership of the Financial Services Authority.**
- (4) The implementation of the annual work plan and budget of PT BPR Bank Sukoharjo (Perseroda) as referred to in paragraph (3) is the authority of the Board of Directors.**

Article 64

- (1) Commissioners' reports consist of quarterly reports and annual reports.**
- (2) Quarterly reports and annual reports as intended in paragraph (1) consist of supervisory reports submitted to shareholders/ GMS.**
- (3) Quarterly report as intended in paragraph (2) submitted no later than 30 (thirty) working days after the end of the relevant quarter.**
- (4) The annual report as intended in paragraph (2) is submitted no later than 90 (ninety) working days after the financial year closes.**
- (5) Annual report as intended in paragraph (4) ratified by the GMS.**

- (6) In the event that a Commissioner does not sign the annual report as intended in paragraph (4) the reasons must be stated in writing.**

Article 65

- (1) Directors' reports consist of monthly reports, reports quarterly and annual reports.**
- (2) Monthly reports and quarterly reports as intended in paragraph (1) consist of operational activity reports and financial reports submitted to Commissioners.**
- (3) The annual report as intended in paragraph (1) consists of an audited financial report and a management report signed by the Directors and Commissioners.**
- (4) Quarterly reports and annual reports as intended in paragraph (2) and paragraph (3) are submitted to shareholders/GMS.**
- (5) The annual report as intended in paragraph (3) is ratified by the shareholders/RUPS no later than the latest within 30 (thirty) working days after receipt.**
- (6) The Board of Directors publishes the annual report to the public no later than 15 (fifteen) working days after the annual report is ratified by the shareholders/GMS.**
- (7) In the event that a member of the Board of Directors does not sign the annual report as intended in paragraph (3), the reason must be stated in writing.**

Article 66

- (1) The Board of Directors makes an annual report which has been ratified as intended in Article 65 paragraph (5) and submitted to the Regent with a copy to Governor, Minister of Home Affairs and Head of Authority local Financial Services; And**
- (2) The Board of Directors is obliged to announce a published report consisting of a balance sheet and profit and loss report that has been ratified on the PT BPR Bank Sukoharjo (Perseroda) notice board.**

Article 67

- (1) Annual report as intended in Article 66 paragraph (1) contains at least:**
- a. financial statements;**
 - b. reports regarding the activities of PT BPR Bank Sukoharjo (Perseroda);**
 - c. report on the implementation of social and environmental responsibility/corporate *social responsibility*;**
 - d. details of problems that arose during the financial year that affected the business activities of PT BPR Bank Sukoharjo (Perseroda); e. reports regarding supervisory duties that have been carried out by Commissioners during the previous financial year;**
 - f. names of members of the Board of Directors and members of the Commissioners; And**
 - g. income of members of the Board of Directors and Members of the Commissioners for the past new year.**
- (2) Financial reports as intended in paragraph (1) letter a contains at least:**
- a. balance sheet at the end of the previous financial year in comparison with the previous financial year;**
 - b. profit and loss report for the relevant financial year; c. cash flow statement;**
 - d. Statement of Changes in Equity;**
 - and e. notes to financial reports.**
- (3) The report as intended in letters b to g is a management report.**

Article 68

The annual report for PT BPR Bank Sukoharjo (Perseroda) is carried out in accordance with the provisions of laws and regulations regarding limited liability companies.

CHAPTER XIII
GOVERNMENT ASSIGNMENT

Article 69

- (1) The Regional Government can give assignments to PT BPR Bank Sukoharjo (Perseroda) to support the regional economy and carry out certain public benefit functions while still taking into account the aims and objectives of the establishment of PT BPR Bank Sukoharjo (Perseroda).
- (2) Every assignment as intended in paragraph (1) reviewed jointly by the assignment provider and PT BPR Bank Sukoharjo (Perseroda).
- (3) Every assignment as intended in paragraph (1) first obtain approval from the GMS.
- (4) Every assignment as intended in paragraph (1) can be supported with funding.
- (5) Funding as intended in paragraph (3) is available in the form of:
 - a. regional capital participation;
 - b. subsidy; and/or c. granting loans.
- (6) After carrying out the assignment, the directors are obliged to provide a report to the GMS.
- (7) Every assignment as intended in paragraph (1) regulated in the Regent's Regulations.

CHAPTER XIV
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Article 70

- (1) PT BPR Bank Sukoharjo (Perseroda) is obliged to carry out social and environmental responsibility/corporate *social responsibility* in accordance with the provisions of statutory regulations.
- (2) PT BPR Bank Sukoharjo (Perseroda) carries out social and environmental responsibility by setting aside a portion of net profit.
- (3) The use of profits for social and environmental responsibility as intended in paragraph (1) is prioritized for the purposes of developing micro businesses, small businesses and cooperatives.

CHAPTER XV
COOPERATION

Article 71

- (1) PT BPR Bank Sukoharjo (Perseroda) can collaborate with financial institutions, financial institutions micro and other institutions.
- (2) Cooperation as intended in paragraph (1) is between others are done through the program:
 - a. partnership;
 - b. cooperation operations (*joint operations*); and
 - c. other collaborations in accordance with statutory provisions.

CHAPTER XVI
EVALUATION

Article 72

- (1) Evaluation of PT BPR Bank Sukoharjo (Perseroda) is carried out by comparing targets with realization carried out by Commissioner Members.
- (2) Evaluation of PT BPR Bank Sukoharjo (Perseroda) is carried out at least once every 1 (one) year.
- (3) Evaluation as intended in paragraph (1) and paragraph (2) include, among others:
 - a. performance assessment;
 - b. assessment of health level; And
 - c. service assessment;
- (4) Further provisions regarding evaluation are regulated in the Regent's Regulations.

CHAPTER XVII
LOAN

Article 73

- (1) PT BPR Bank Sukoharjo (Perseroda) can make loans from financial institutions, the government, regional governments and other domestic funding sources for business development and investment.

- (2) The assets of PT BPR Bank Sukoharjo (Perseroda) which are the results of the business of PT BPR Bank Sukoharjo (Perseroda) can collateral to get a loan.
- (3) In the event that the assets of PT BPR Bank Sukoharjo (Perseroda) which are guaranteed as intended in paragraph (2) must obtain GMS approval.
- (4) Further provisions regarding loans as referred to in paragraph (2) are in accordance with the provisions of statutory regulations.

CHAPTER XVIII

ASSESSMENT OF HEALTH LEVEL AND RESTRUCTURING

Article 74

- (1) Health level assessment becomes a benchmark for PT performance BPR Bank Sukoharjo (Perseroda).
- (2) The PT BPR Bank Sukoharjo (Perseroda) Health Level Assessment as referred to in paragraph (1) is carried out annually by PT BPR Bank Sukoharjo (Perseroda) and submitted at the GMS guided by the Financial Services Authority Regulations.
- (3) The assessment of the health level of PT BPR Bank Sukoharjo (Perseroda) is the basis for the evaluation of PT BPR Bank Sukoharjo (Perseroda).

Article 75

- (1) Restructuring is carried out with the aim of making PT BPR Bank Sukoharjo (Perseroda) healthy can operate efficiently, accountably, transparently and professionally. (explained)
- (2) The aim of restructuring is to:
 - a. improve company performance and value to become a healthy company;
 - b. provide benefits in the form of dividends and taxes to countries and regions;
 - c. produce products and services at affordable prices competitive to consumers.
- (3) Restructuring as intended in paragraph (1) is carried out by taking into account the principles of costs, benefits and risks.

- (4) PT BPR Bank Sukoharjo (Perseroda) which continues to suffer losses to the point that it threatens the continuity of its business must carry out restructuring.

Article 76

Further provisions regarding the assessment of the level of health and restructuring as referred to in Article 74 and Article 75 are regulated in the Regent's Regulation.

CHAPTER XIX

FISCAL YEAR AND USE OF PROFITS

Article 77

- (1) Financial year of PT BPR Bank Sukoharjo (Perseroda) equated to the calendar year.
- (2) The use of PT BPR Bank Sukoharjo (Perseroda) profits is regulated in the articles of association.
- (3) The net profit of PT BPR Bank Sukoharjo (Perseroda) after deducting taxes which has been approved by the GMS includes:
- a. profit share for regions/dividends for shareholders 55% (fifty five percent);
 - b. reserve 20% (twenty percent);
 - c. social and environmental/corporate social responsibility responsibility 3% (three percent);
 - d. bonus 4% (four percent);
 - e. production services 8% (eight percent); And
 - f. welfare fund 10% (ten percent).
- (4) The share of profits for regions/dividends for shareholders as referred to in paragraph (3) letter a which is part of profits for regions or dividends that are the rights of regions is budgeted in the receipt of the Regional Revenue and Expenditure Budget.
- (5) Imposition of social and environmental responsibility/corporate *social responsibility*, bonuses, production services and welfare funds as referred to in paragraph (3) letter c, letter d, letter e and letter f carried out in accordance with the provisions of statutory regulations.

CHAPTER XX
GUIDANCE AND SUPERVISION

Article 78

- (1) Technical guidance and supervision of PT BPR Bank Sukoharjo (Perseroda) is carried out by the Financial Services Authority.**
- (2) General guidance and supervision of PT BPR Bank Sukoharjo (Perseroda) is carried out by the Regent.**

CHAPTER XXI
**MERGER, CONSOLIDATION, TAKEOVER AND
CHANGES IN INSTITUTIONAL STATUS**

Article 79

- (1) In the context of health, strengthening and improvement
The performance of PT BPR Bank Sukoharjo (Perseroda) can be carried out:

a. mergers, consolidations and takeovers;
and/or b.

change in institutional status.**
- (2) The implementation of mergers, consolidations and takeovers as well as changes in institutional status as referred to in paragraph (1) are carried out in accordance with statutory regulations.**

CHAPTER XXII
BANKRUPTCY

Article 80

- (1) PT BPR Bank Sukoharjo (Perseroda) can be declared bankrupt based on applicable laws and regulations.**
- (2) PT BPR Bank Sukoharjo (Perseroda) can only be declared bankrupt after going through an assessment by the Financial Services Authority and upon application for a bankruptcy declaration to the Commercial Court.**
- (3) In the event that bankruptcy occurs due to errors or negligence of the Directors and/or Commissioners so that the assets of PT BPR Bank Sukoharjo (Perseroda) are not sufficient to cover losses resulting from bankruptcy, then each member of the Board of Directors and/or commissioners is jointly and severally responsible for the losses, unless it can be proven otherwise.**

- (4) The responsibility as referred to in paragraph (3) also applies to erroneous or negligent members of the Board of Directors who have not served 5 (five) years before the bankruptcy declaration is declared.

CHAPTER XXIII
DISSOLUTION AND LIQUIDATION

Article 81

- (1) The dissolution and liquidation of PT BPR Bank Sukoharjo (Perseroda) is determined by the GMS and a court decision with prior approval from the DPRD.
- (2) Procedures for the dissolution and liquidation of PT BPR Bank Sukoharjo (Perseroda) as intended in paragraph (1) are set out in the Articles of Association and refer to statutory provisions.

CHAPTER XXIV
MISCELLANEOUS PROVISIONS

Article 82

- (1) The Regent represents the regional government in ownership Regional assets are separated from PT BPR Bank Sukoharjo (Perseroda).
- (2) The Regent as owner of capital at PT BPR Bank Sukoharjo (Perseroda) has the authority to make decisions.
- (3) In carrying out the authority as intended in paragraph (2), the Regent is given incentives sourced from the results of the management of regional assets which are separated from PT BPR Bank Sukoharjo (Perseroda).
- (4) Amount of Incentive as intended in paragraph (3) determined based on:
- a. PT BPR Bank Sukoharjo (Perseroda) performance targets;
 - b. Classification of regional wealth management results which are separated at PT BPR Bank Sukoharjo (Perseroda); And
 - c. Financial report of PT BPR Bank Sukoharjo (Perseroda).
- (5) Provisions regarding the exercise of authority and incentives for the exercise of authority as intended in paragraph (2) to paragraph (4) are regulated in Regent Regulations in accordance with the provisions of statutory regulations.

CHAPTER XXV

TRANSITIONAL PROVISIONS

Article 83

When this Regional Regulation comes into force:

- a. While the process of changing the legal entity form of PT BPR Bank Sukoharjo (Perseroda) has not been completed, PD. BPR Bank Pasar will remain operational until the PT BPR Bank Sukoharjo (Perseroda) business license is issued by the authorized institution;
- b. The supervisory board and directors of PD BPR Bank Pasar Sukoharjo continue to carry out their duties until their term of office is completed in the event that the PT BPR Bank Sukoharjo (Perseroda) business license has not been issued by the institution concerned authorized;
- c. Filling in executive officers and employees of PT BPR Bank Sukoharjo (Perseroda) for the first time came from executive officers and PD employees. BPR Market Bank;
- d. All assets, rights and obligations related to the management of PD BPR Bank Pasar have been transferred to PT BPR Bank Sukoharjo (Perseroda) since the issuance of the PT BPR Bank Sukoharjo (Perseroda) business license.

CHAPTER XXVI

CLOSING

Article 84

When this Regional Regulation comes into force, Sukoharjo Regency Regional Regulation Number 5 of 2017 concerning the Sukoharjo Regional Bank Company (Perseroda) (2017 Sukoharjo Regency Regional Gazette Number 5, Supplement to Sukoharjo Regency Regional Gazette Number 248) is revoked and declared invalid.

Article 85

This local regulation are applied at the date stated.

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

**Stipulated in Sukoharjo on
September 6 2019**

REGENT SUKOHARJO,

signed

WARDOYO WIJAYA

**Promulgated in Sukoharjo
on September 6, 2019**

**REGIONAL SECRETARY
SUKOHARJO DISTRICT,**

signed

**AGUS SANTOSA
SUKOHARJO DISTRICT REGIONAL GAZETTE
YEAR 2019 NUMBER 6**

**NOREG REGIONAL REGULATIONS OF SUKOHARJO DISTRICT, PROVINCE
CENTRAL JAVA : (6-311/2019)**

**EXPLANATION
ON
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 6 OF 2019
ABOUT
PEOPLE'S CREDIT BANK REGIONAL COMPANY
SUKOHARJO BANK**

I. GENERAL.

That to encourage economic growth, increase services to the community, especially the provision of business capital for micro, small and medium enterprises and as a source of regional income, it is necessary to organize regional financial institutions, especially PT BPR Bank Sukoharjo (Perseroda).

The institutional arrangement is based on good corporate governance so that PT BPR Bank Sukoharjo (Perseroda) can operate efficiently, accountably, transparently and professionally based on statutory regulations.

The legality of PT BPR Bank Sukoharjo (Perseroda), which was formed based on Regional Regulation Number 5 of 2017 concerning the Regional Liability Company of People's Credit Bank Bank Sukoharjo, was previously institutionally a change in the legal form of PD BPR Bank Pasar.

Juridically, Regional Regulation Number 5 of 2017 concerning Regional Companies, People's Credit Bank, Bank Sukoharjo, cannot yet be implemented because there are a number of changes to statutory provisions.

After the enactment of Minister of Home Affairs Regulation Number 94 of 2017 concerning Management of Regional Government-Owned People's Credit Banks and Minister of Home Affairs Regulation Number 37 of 2018 concerning Appointment and Dismissal of Members of the Supervisory Board and Members of the Board of Directors of Regional-Owned Enterprises, this has an impact on the material or provisions regulated in Regional Regulation Number 5 of 2017 concerning Regional Companies, Rural Bank Sukoharjo Bank, so that most of the provisions in the Regional Regulation must be adjusted, including regarding naming, organs, articles of association, profit distribution and governance.

Based on the considerations outlined above, Regional Regulation Number 5 of 2017 concerning Regional Liability Companies of Rural Bank Sukoharjo Bank needs to be replaced.

II. ARTICLE BY ARTICLE.

article 1

Quite clear.

Section 2

Quite clear

Article 3

Paragraph (1)

Quite clear.

Paragraph (2)

What is meant by "Subsidiary Branch Office" is an office under a branch office whose business activities assist its parent branch office, with a clear business address where the sub-branch office conducts its business.

What is meant by "Cash Office" is a bank office that carries out cash service activities with a clear business address where the cash office carries out its business, including giving to new customers.

Service System or Payment Point is an activity in the form of payment services or receiving payments through collaboration between banks and other parties at a certain location, such as for paying telephone bills, electricity bills, employee salaries and/or receiving deposits from third parties.

Paragraph (3)

Quite clear.

Article 4

What is meant by "economic democracy" is economic democracy based on Pancasila and the 1945 Constitution, namely prioritizing the interests and prosperity of society. Then what is meant by "prudential principle" is a principle which emphasizes that banks in carrying out business activities both in collecting and distributing funds to the public must be very careful.

Article 5

Quite clear.

Article 6

Quite clear.

Article 7

Quite clear.

Article 8

Quite clear.

Article 9

Paragraph (1)

Letter a

Regional capital participation is a form of regional government investment in the form of money in business entities by obtaining ownership rights and/or transfer of ownership of regional property from unseparated regional assets to separated regional assets, to be calculated as regional capital/shares in the business entity or agency. other laws.

Letter b

Grants are the provision of money/goods or services from the Central Government; Area; other BUMDs; and/or other sources in accordance with the provisions of laws and regulations for Regional Owned Enterprises whose purpose has been specifically determined, are not mandatory and are not binding, and are not continuous with the aim of supporting the implementation of regional government affairs.

Letter c

Self-explanatory.

Paragraph (2)

Letter a

What is meant by "reserve capitalization" is additional paid-in capital originating from reserves.

Letter b

What is meant by "asset revaluation gain" is the difference in asset revaluation which results in an increase in asset value.

Letter c

What is meant by "share premium" is the difference more than the sale of shares at their nominal value.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Article 10

Paragraph (1)

What is meant by "basic capital" is capital that is economically and technically required to maintain the company's existence and the ability to earn a profit in carrying out its functions and roles, both as a source of regional income and the ability to sustain and develop the company. What is meant by "Shares" are securities that indicate shares

ownership of a company.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Article 11

Paragraph (1) letter i

What is meant by "dividend" is a portion of the company's profits or income, the amount of which is determined by the board of directors and ratified by the shareholders' meeting distributed to shareholders.

Paragraph (2)

Quite clear

Paragraph (3)

Quite clear.

Article 12

Quite clear.

Article 13

Quite clear.

Article 14

Quite clear.

Article 15

Quite clear.

Article 16

Quite clear.

Article 17

Quite clear.

Article 18

Quite clear.

Article 19

Quite clear.

Article 20

Quite clear.

Article 21

Quite clear.

Article 22

Quite clear.

Article 23

Quite clear.

Article 24

Quite clear.

Article 25

Quite clear.

Article 26

Quite clear.

Article 27

Quite clear.

Article 28

Quite clear.

Article 29

Quite clear.

Article 30

Quite clear.

Article 31

Paragraph (1)

Quite clear.

Paragraph (2)

Letter a

Quite clear

Letter b

Quite clear

Letter c

Quite clear

Letter d

What is meant by "tantiem" is company profits awarded to employees and company management.

Article 32

Paragraph (1)

Quite clear.

Paragraph (2)

What is meant by "holiday" is the Eid al-Fitr holiday.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Paragraph (5)

Quite clear.

Paragraph (6)

Quite clear.

Paragraph (7)

Quite clear.

Paragraph (8)

Quite clear.

Paragraph (9)

Quite clear.

Verse (10)

Quite clear.

Article 33

Quite clear.

Article 34

Quite clear

Article 35

Quite clear.

Article 36

Quite clear.

Article 37

Quite clear.

Article 38

Quite clear.

Article 39

Quite clear.

Article 40

Quite clear.

Article 41

Quite clear.

Article 42

Quite clear.

Article 43

Quite clear.

Article 44

Quite clear.

Article 45

Quite clear.

Article 46

Quite clear.

Article 47

Quite clear.

Article 48

Quite clear.

Article 49

Paragraph (1)

What is meant by "holiday" is the Eid al-Fitr holiday.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Article 50

Quite clear.

Article 51

What is meant by the principle of "fairness" is fairness and equality in fulfilling the rights of stakeholders.

What is meant by the principle of "efficiency" is a principle oriented towards minimizing the use of resources in running a company to achieve the best work results.

What is meant by the principle of "effectiveness" is a principle that is oriented towards appropriate and effective goals.

Article 52

Quite clear.

Article 53

Paragraph (1)

Quite clear.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Paragraph (5)

What is meant by statutory regulations in this case is Financial Services Authority Regulation Number 13/POJK.03/2015 concerning the Implementation of Risk Management in Rural Banks.

Article 54

Quite clear.

Article 55

Quite clear.

Article 56

Quite clear.

Article 57

Quite clear.

Article 58

Quite clear.

Article 59

Quite clear.

Article 60

Quite clear.

Article 61

Paragraph (1)

Quite clear.

Paragraph (2)

Letter a

Quite clear.

Letter b

Quite clear.

Letter c

Quite clear.

Letter d

Quite clear.

Letter e

Quite clear.

Letter f

Quite clear.

Letter g

The funds provided by the Company as a form of human activity in the business sector, are morally committed to being responsible for the same creating a harmonious and balanced relationship between the Company and the environment and local community in accordance with community values, norms and culture.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Article 62

Quite clear.

Article 63

Quite clear.

Article 64

Quite clear.

Article 65

Quite clear.

Article 66

Quite clear.

Article 67

Quite clear.

Article 68

Quite clear.

Article 69

Quite clear.

Article 70

Quite clear.

Article 71

Quite clear.

Article 72

Quite clear.

Article 73

Quite clear.

Article 74

Quite clear.

Article 75

Paragraph (1)

What is meant by "Restructuring" includes changes to organizational structure, management, operations, systems and procedures, finance, assets, debt, shareholders, legal and so on.

What is meant by the principle of "efficiency" is a principle oriented towards minimizing the use of resources in running a company to achieve the best work results.

What is meant by the principle of "accountability" is clarity of function, implementation and accountability of organs so that company management is carried out smoothly effective.

What is meant by the "transparent" principle is openness in carrying out the decision-making process and openness in disclosing relevant information about the company.

What is meant by the "professional" principle is carrying out restructuring carried out by a team that is competent in its field for the development of the company.

Paragraph (2)

Quite clear.

Paragraph (3)

Restructuring is part of good corporate governance as a form of effort to revitalize business entities so that companies can operate more efficiently, transparently and professionally so that companies can provide the best products/services and provide benefits to the country.

Efforts to revitalize the company through restructuring are based on the cost-benefit principle, namely by calculating (costs in monetary terms) to what extent the costs incurred in the restructuring that are carried out provide beneficial results, so that they can be used as consideration for whether or not to choose when making a decision.

Paragraph (4)

Quite clear.

Article 76

Quite clear.

Article 77

Paragraph (1)

What is meant by "Tawim Year" is the calendar year, where the Gregorian calendar is used which starts from January 1 to December 31.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Paragraph (4)

Quite clear.

Paragraph (5)

Quite clear.

Article 78

Quite clear.

Article 80

Quite clear.

Article 81

Paragraph (1)

What is meant by "liquidation" is the act of settling all rights and obligations of the bank as a result of the revocation of the business license and the dissolution of the legal entity.

Paragraph (2)

Quite clear.

Article 82

Quite clear.

Article 83

Quite clear.

Article 84

Quite clear.

Article 85

Quite clear.

SUPPLEMENTARY SUKOHARJO DISTRICT REGIONAL GAZETTE NUMBER 282