COPY



REGENT SUKOHARJO PROVINCE OF CENTRAL JAVA

REGIONAL REGULATIONS OF SUKOHARJO DISTRICT NUMBER 11 OF 2019

ABOUT

REGIONAL GENERAL PRINTING AND PUBLISHING COMPANY

BY THE GRACE OF GOD ALMIGHTY

REGENT SUKOHARJO,

Considering: a. that in order to encourage economic growth in the region and improve services

to the needs of the community, District Government Sukoharjo has the authority to manage regional public companies engaged in printing and publishing;

 b. that based on the provisions of Article 334 of the Law Number 23 of 2014 concerning Regional Government as amended several times, most recently by Law Number 9 of 2015 concerning Second Amendment to Law Number 23 of 2014 concerning Regional Government and Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises, Regional

Regulations Sukoharjo Regency Number 21 of 2007 concerning Regional Printing and Publishing Companies, it is necessary to change the form of the legal entity;

- c. that based on the considerations as intended letter a, letter b, Sukoharjo Regency Regional Regulation Number 21 of 2007 concerning Regional Printing and Publishing Companies needs to be replaced;
- d. that based on the considerations as intended in letters a, b, and c, it is necessary to stipulate Regional Regulations concerning Regional Public Printing and Publishing Companies;
- Bearing in mind: 1. Article 18 paragraph (6) of the 1945 Constitution 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 12 of 2011 concerning the Establishment of Legislative Regulations (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234) as amended by Law

Number 15 of 2019 concerning Amendments to Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia of 2019 Number 183, Supplement to the State Gazette of the Republic of Indonesia Number 6396);

- 4. 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;
- 5. Law Number 3 of 2017 concerning the Bookkeeping System (State Gazette of the Republic of Indonesia of 2017 Number 102, Supplement to the State Gazette of the Republic of Indonesia
- Number 6053); 6. Government Regulation Number 12 of 2017 concerning Development of Supervision of Regional Government Administration (State Gazette of the Republic of Indonesia of 2017 Number 73, additional State Gazette of the Republic of Indonesia Number 6041);
- 7. Government Regulation Number 54 of 2017 concerning Regionally Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to the State Gazette of the Republic of Indonesia Number 6173);
- B. Government Regulation Number 28 of 2018 concerning Regional Cooperation (State Gazette of the Republic of Indonesia of 2018 Number 97, Supplement to State Gazette of the Republic of Indonesia Number 6219);
- 9. 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);
- 10. 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);
- 11. Sukoharjo Regency Regional Regulation Number 15 of the Year 2016 concerning Corporate Social and Environmental Responsibility (2016 Sukoharjo Regency Regional Gazette Number 15, Supplement to Sukoharjo Regency Regional Gazette Number 15);

12. Sukoharjo Regency Regional Regulation Number 19 of the Year 2018 concerning Regional Government Capital Inclusion in Regionally Owned Enterprises (2018 Sukoharjo Regency Regional Gazette Number 19, Supplement to Sukoharjo Regency Regional Gazette Number 277);

With Mutual Consent

REGIONAL REPRESENTATIVE COUNCIL OF SUKOHARJO DISTRICT and

REGENT SUKOHARJO

DECIDE:

Establish: REGIONAL REGULATIONS CONCERNING PUBLIC COMPANIES PRINTING AND PUBLISHING AREA.

PIG GENERAL REQUIREMENTS

article 1

In this Regional Regulation what is meant by: 1. Region is

Sukoharjo Regency.

- 2. The Regent is the Regent of Sukoharjo.
- 3. Regional Government is the Regent as the organizing element of the Regional Government which leads the implementation of government affairs which are the authority of the autonomous region.
- 4. The Regional People's Representative Council, hereinafter referred to as the DPRD, is the Regional People's Representative Council of Sukoharjo Regency which has the position as an organizing element of the Regional Government.
- 5. Regional Revenue and Expenditure Budget, hereinafter abbreviated as APBD, is the annual financial plan of the Sukoharjo Regency Region which is determined by Regional Regulation.
- 6. 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.
- 7. Regional Public Company for Printing and Publishing is the Regional Public Company for Printing and Publishing of Sukoharjo Regency, hereinafter referred to as Perumda Percada, where all capital is owned by the Region in the form of regional assets which are separated and not divided into shares.

- 8. Regional Heads Who Represent Internal Regional Government Ownership of Separated Regional Assets in Regional Public Companies, hereinafter referred to as KPM is the organ of a Regional public company which holds the highest authority in a Regional public company and holds all authority that is not delegated to the Directors or Supervisory Board.
- 9. The Supervisory Board is an organ of Perumda Percada which is tasked with supervising and providing advice to the Board of Directors in carrying out Perumda Percada management activities.
- 10. The Board of Directors is an organ of Perumda Percada which is responsible for managing Perumda Percada for the interests and objectives of Perumda Percada as well as representing Perumda Percada both inside and outside the court in accordance with the provisions of the articles of association.
- 11. The Director is the Director of Perumda Percada
- 12. Employees are Perumda Percada employees.
- 13. Perumda Percada Business Plan is a detail of Perumda Percada activities with a period of 5 (five) years.
- 14. The Perumda Percada Work Plan and Budget is an annual elaboration of the Perumda Percada Business Plan. 15. Regional
- government 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 regional assets that are not separated into separate regional assets, to be calculated as regional capital/shares in business entities or other legal entities.
- 16. Corporate Social and Environmental Responsibility, hereinafter abbreviated as TJSLP, is the company's commitment to participate in sustainable economic development in order to improve the quality of life and a beneficial environment, both for the company itself, the local community and society in general.

CHAPTER II

FORMATION

Section 2

With this Regional Regulation, the Regional Printing and Publishing Company has changed its legal entity form to Regional Government Percada.

CHAPTER III

POSITION

Article 3

Perumda Percada is a Regional Owned Enterprise domiciled in Sukoharjo Regency.

CHAPTER IV OBJECTIVES AND EFFORTS

Article 4

Perumda Percada was established with

- the aim of: a. provide benefits for economic development Area;
- b. carry out public benefits in the form of provision goods and/or services in the form of printing and publishing;
- c. obtain profits and/or benefits as one source of Regional Original Income.

Article 5

Perumda Percada operates in the printing, publishing and other fields that support business.

CHAPTER V

Article 6

- (1) The authorized capital of Perumda Percada is set at IDR 15,000,000,000.00 (fifteen billion rupiah).
- (2) From the authorized capital as intended in paragraph (1), the paidup capital is IDR 6,427,208,002.00 (six billion four hundred twentyseven million two hundred eight thousand two rupiah).
- (3) To meet the capital as intended in paragraph
 (1) The Regional Government increases the paid-in capital in stages which is budgeted in the Regional Revenue and Expenditure Budget in accordance with the Regional financial capacity.
- (4) Perumda Percada capital is separated regional wealth.

- (1) Capital sources for Perumda Percada consist of:
 - a. regional capital participation;
 - b. loan;
 - c. grant; And
 - d. other sources of capital.
- (2) The inclusion of regional capital as intended in paragraph (1) letter a, is carried out to increase the capital of Perumda Percada which is sourced from the Regional Revenue and Expenditure Budget.

- (3) Loans as referred to in paragraph (1) letter b obtained from a Third Party after obtaining approval from KPM.
- (4) Grants as intended in paragraph (1) letter c are obtained from the central government, regional government, and/or other parties after obtaining KPM approval.
- (5) Other sources of capital as referred to in paragraph (1) letter d is:
 - a. reserve capitalization; And
 - b. asset revaluation benefits.

CAPITAL INVESTMENT PROCEDURES

Article 8

- (1) The Regional Government in fulfilling the capital participation shortfall as intended in Article 7 paragraph (2) considers:
 - a. Regional financial capacity in the relevant budget year; And
 - b. Perumda Percada performance evaluation results.
- (2) If the regional government cannot fulfill the shortfall in capital participation in the relevant year based on the considerations as intended in paragraph (1), then it can be budgeted again in the following fiscal year.

Article 9

- (1) Capital participation as intended in Article 8 in the form of money and/or regional property.
- (2) Capital participation as intended in paragraph (1) carried out in accordance with the provisions of statutory regulations.

CHAPTER VII ORGANS OF THE REGIONAL PERUMDA

Part One General

Article 10

Perumda Percada organs consist of:

- a. KPM;
- b. Supervisory Board; and
- c. Directors.

The second part KPM

Article 11

- (1) The Regent as the owner of capital in Perumda Percada has the authority to make decisions.
- (2) Authority to make decisions as intended in paragraph (1) can be delegated to regional officials.
- (3) Delegation of authority as intended in paragraph(2) include: a.

changes to the articles of association;

- b. transfer of fixed assets;
- c. cooperation;
- d. investment and financing, including the formation of children company and/or capital participation;
- e. Regional Government capital participation comes from capitalization reserves and profits from asset revaluation;
- f. appointment and dismissal of the Supervisory Board and Directors;
- g. income of the Supervisory Board and Directors;
- h. determining the amount of use of profits;
- i. ratification of annual reports;
- j. dissolution of Perumda Percada; And
- k. Asset collateral amounts to more than 50% (fifty percent) of the total net assets of Perumda Percada in 1 (one) or more transactions.

Article 12

KPM is not responsible for Perumda Percada's losses if it can prove:

- a. has no personal interests either directly or indirectly;
- b. not involved in unlawful acts carried out by Perumda Percada; and/or
- c. not involved, either directly or indirectly, in using regional public company assets unlawfully.

- (1) KPM, Supervisory Board and Directors hold internal meetings Perumda Percada business development.
- (2) The meeting as referred to in paragraph (1) consists of:
 - a. annual meeting;
 - b. Perumda Percada budget work plan approval meeting; And
 - c. extraordinary meeting.

Article 14

Further provisions regarding the procedures for delegating authority to regional officials as intended in Article 11 paragraph (2) are regulated in the Regent's Regulations with reference to the provisions of statutory regulations.

Part Three supervisory Board

Paragraph 1 Election and Appointment

Article 15

- (1) Members of the Supervisory Board may consist of independent elements and other elements in accordance with the provisions of statutory regulations.
- (2) Other elements as intended in paragraph (1) may consist of Regional Government officials who are not tasked with carrying out public services.

Article 16

Members of the Supervisory Board are appointed by KPM.

Article 17

To be appointed as a member of the Supervisory Board is: Indonesian citizens who 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 related company management one of the management functions;
- e. provide sufficient time to carry out his duties;

f. have at least a Strata I (S-1) diploma; 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 led is declared bankrupt;
- j. not currently undergoing criminal sanctions;
- k. not currently a political party administrator, regional head candidate or deputy regional head candidate, and/or legislative member candidate; And
- I. not tied to family relations with the Regent/Deputy Regent, other members of the Supervisory Board, or directors up to the third degree either in a straight line or aside from that, including son-in-law and brother-in-law.

Article 18

- (1) The number of members of the Supervisory Board is determined by KPM.
- (2) The maximum number of members of the Supervisory Board is equal to the number of Directors.
- (3) In the event that the members of the Supervisory Board consist of more than 1 (one) member, 1 (one) member of the Supervisory Board is appointed as Chairman of the Supervisory Board.
- (4) Determination of the number of members of the Supervisory Board as follows referred to in paragraph (1) and paragraph (2) is carried out based on the principles of efficiency and effectiveness of decisions, supervision and financing for the interests of Perumda Percada.

- (1) The process of selecting members of the Supervisory Board is carried out through selection.
- (2) The selection as referred to in paragraph (1) is at least includes:
 - a. administrative selection;
 - b. Fit and Proper Test (UKK); And
 - c. final interview.
- (3) Candidates for Supervisory Board Members who are declared to have passed the selection as intended in paragraph (2) are required to sign a performance contract before being appointed as Members of the Supervisory Board.

- (1) The term of office of members of the Supervisory Board is a maximum of 4 (four) years and may be reappointed for 1 (one) term of office.
- (2) The provisions regarding selection as intended in Article 19 paragraph
 (1) do not apply to the re-appointment of members of the Supervisory
 Board who are deemed capable of carrying out their duties well
 during their term of office.
- (3) Assessment of task capabilities as referred to in paragraph (2) at least towards: a.

implementation of Perumda Percada supervision; b.

- providing advice and input on the management of Perumda Perkad;
- 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. Perumda Percada 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 members of the Supervisory Board are reappointed, the members of the Supervisory Board are required to sign a contract performance.
- (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.

Paragraph 2 Duties, Authorities and Obligations

Article 21

The Supervisory Board is tasked with:

- a. carry out supervision of Perumda Percada; And
- b. supervise and provide advice to the Board of Directors in carrying out the management of Perumda Percada; And
- c. reviewing the Business Plan (business plan/corporate plan) and Perumda Percada Work Plan and Budget made by the Board of Directors to the KPM to obtain approval.

The Supervisory Board has the authority to:

- a. assessing the performance of the Board of Directors in managing Perumda Percada;
- b. assess Quarterly Reports;
- c. assess the Annual Report submitted by the Board of Directors to obtain KPM approval;
- d. request information from the Board of Directors regarding the management and development of Perumda Percada; And
- e. provide considerations and suggestions to KPM whether requested or not requested for the improvement and development of Perumda Percada.

Article 23

The Supervisory Board is obliged to:

- a. report the results of supervision to KPM; And
- b. create and maintain meeting minutes.

Paragraph 3 End of office

Article 24

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

a. die;

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

- (1) In the event that the position of a member of the Supervisory Board ends due to the end of their term of office as referred to in Article 24 letter b, the member of the Supervisory Board is obliged 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 as intended 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 end of term assignment management report as intended in paragraph (1) is used as a basis for consideration by KPM to extend or dismiss members Supervisory Board.
- (4) Report on the management of duties at the end of the member's term of office The Supervisory Board is implemented after the results of audits with specific objectives or annual audits from public accounting firms to KPM.

(5) In the event that there is a vacancy in the positions of all members of the Supervisory Board, the implementation of the supervisory duties of Perumda Percada is carried out by the KPM.

Article 26

- (1) In the event that the position of a member of the Supervisory Board ends due to being dismissed at any time as intended in Article 24 letter c, the reason for the dismissal must be provided.
- (2) Dismissal of a member of the Supervisory Board as intended in paragraph (1) is carried out if a member of the Board The supervisor concerned is legally proven:
 - 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 Perumda Percada, 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 member of the

Supervisory Board in accordance with statutory provisions; and/or

g. not re-elected in the event of changes in Regional Government policy such as restructuring and dissolution of Perumda Percada.

Article 27

Members of the Supervisory Board were dismissed by KPM.

Paragraph 4 Prohibition Article 28

- (1) Members of the Supervisory Board are prohibited from holding more than 2 (two) positions as Members of the Supervisory Board and/or Commissioners.
- (2) Violations of the provisions as intended in paragraph (1) are subject to administrative sanctions in the form of being dismissed at any time from their position as a member of the Supervisory Board.
- (3) In the event that the provisions as intended in paragraph (2) are not implemented by the KPM no later than 20 (twenty) working days after the person concerned is appointed to a new position as a member of the Supervisory Board, all positions concerned as a member of the Supervisory Board are declared terminated.

- (1) Members of the Supervisory Board are prohibited from holding concurrent positions as:
 - a. member of the Board of Directors of BUMD, state-owned enterprises, and/or private-owned enterprises;
 - b. other officials in accordance with regulatory provisions legislation; and/or
 - c. other officials who may create a conflict of interest.
- (2) Violations of the provisions as intended in paragraph (1) are subject to administrative sanctions in the form of being dismissed at any time from their position as a member of the Supervisory Boa
- (3) In the event that the provisions as intended in paragraph (2) are not implemented by the KPM no later than 20 (twenty) working days after the person concerned is appointed to a new position as a member of the Supervisory Board, the position concerned as a member of the Supervisory Board is declared terminated.

- (1) Members of the Supervisory Board are obliged to act in good faith and responsibility to carry out duties in the interests of Perumda Percada.
- (2) Each member of the Supervisory Board is fully personally responsible if the person concerned is guilty or negligent in carrying out their duties.
- (3) KPM can file a lawsuit in court against a member of the Supervisory Board whose fault or negligence causes losses to Perumda Percada unless the member of the Supervisory Board concerned compensates for the losses incurred and deposits them into the regional general treasury account.

Paragraph 5 Supervisory Board Income

- (1) The income of members of the Supervisory Board is determined by KPM.
- (2) Income of members of the Supervisory Board as stated referred to in paragraph (1) consists of:
 - a. honorarium;
 - b. allowance; and/or
 - c. bonus or performance incentive.

- (1) The Supervisory Board may appoint a Secretary financed by Perumda Percada.
- (2) The duties of the secretary as intended in paragraph (1) to assist the smooth implementation of the Supervisory Board's duties.

Paragraph 6 Supervisory Board Meeting

Article 33

- (1) The Supervisory Board's decision is taken at a Board meeting Supervisor.
- (2) Under certain circumstances, the Supervisory Board's decision may also be taken outside the Supervisory Board meeting all members of the Supervisory Board agree on the methods and materials decided.
- (3) At each meeting of the Supervisory Board, minutes of the meeting are drawn up containing matters discussed and decided, including if there is a statement of disagreement from members of the Supervisory Board.

Article 34

Further provisions regarding the number, composition, selection and income of members of the Supervisory Board are regulated in the Regent's Regulations.

Part Four Directors

Paragraph 1 Appointment

Article 35

(1) The Board of Directors is appointed by KPM.

- (2) Residents must be appointed as members of the Board of Directors Indonesian countries that meet the following requirements:
 - a. physically and mentally healthy;
 - b. have expertise, leadership, integriby haviour, ience, honesty, good 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 company's business field;

f. have at least a Strata 1 (S-1) diploma;

- g. work experience of at least 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 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 harm to the body

the business led is declared bankrupt;

- j. never been convicted of a criminal offense which carries a penalty of more than 5 (five) years; k.
- never been convicted of a criminal offense
 - which is detrimental to state or regional finances; I. not
- currently undergoing criminal sanctions; m.
- not currently a political party administrator, candidate regional head or candidate for deputy regional head, and/or legislative member candidate;
- and n. not bound by family relations with the Regent/Deputy Regent, other members of the Supervisory Board, or directors up to the third degree either in a straight line or laterally, including sons-in-law and in-laws.

Article 36

- (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 carried out by a team formed by KPM or a professional institution.
- (3) The selection as referred to in paragraph (1) is at least includes:
 - a. administrative selection;
 - b. Fit and Proper Test (UKK); And
 - c. final interview.
- (4) The provisions regarding selection as intended in paragraph (1) 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.
- (5) Candidates for members of the Board of Directors who are declared to have passed the selection as intended in paragraph (2) and re-appointment of members of the Board of Directors as intended in paragraph (4) are required to sign a performance contract before being appointed as members of the Board of Directors.

- (1) The number of members of the Perumda Percada Board of Directors is determined by KPM.
- (2) The number of members of the Perumda Percada Board of Directors as referred to in paragraph (1) is a minimum of 1 (one) person and a maximum of 2 (two) people.

- (3) Determination of the number of members of the board of directors as referred to in paragraph (2) is carried out based on the principles of efficiency and effectiveness in managing Perumda Percada.
- (4) The main director is appointed from one of the members of the Board of Directors as intended in paragraph (3).

The Board of Directors has the following duties:

- a. prepare plans, manage and supervise all operational activities of Perumda Percada;
- b. carry out personnel development;
- c. managing the assets of Perumda Percada;
- d. carrying out the governance of Perumda Percada; And
- e. prepare and submit reports on all Perumda Percada activities.

Article 39

The Board of Directors has the authority to:

- a. appoint and dismiss Perumda Percada employees based on Perumda Percada personnel regulations;
- b. determine the organizational structure and work procedures of Perumda Percada with the approval of the Supervisory Board;
- c. appoint employees to occupy lower positions Directors;
- d. representing Perumda Percada inside and outside Court;
- e. appoint a power of attorney to carry out legal actions representing Perumda Percada; And
- f. sell, guarantee or dispose of assets belonging to Perumda Percada which are the result of management based on KPM approval at the discretion of the Board Supervisor.

- (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 the provisions of statutory regulations; And
 - b. If members of the Board of Directors have special skills and/ or excellent achievements, they can be appointed for a third term of office.

(2) In the event that a member of the Board of Directors from the Perumda Percada element has his term of office ended before entering retirement age, his employment status will automatically cease.

Article 41

The division of duties and authority of members of the Perumda Percada Board of Directors is determined in the articles of association.

Paragraph 2 Dismissal

Article 42

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 43

- (1) In the event that the position of a member of the Board of Directors ends because the term of office ends as referred to in Article 42 letter b, the member of the Board of Directors is obliged to submit a report on the management of duties at the end of the term of office no later th (three) months before the end of his 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 Supervisory Board is obliged to submit an assessment and recommendation on the performance of the Board of Directors to the KPM.
- (4) Reports as intended in paragraph (2) as well as assessments and recommendations as intended in paragraph (3) as a basis for the Regent's consideration 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 are submitted to KPM.

Article 44

(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 42 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 Perumda Percada, 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
 - h. was not re-elected due to changes in Regional Government policy regarding the restructuring and dissolution of Perumda Percada.

Directors at Perumda Percada were dismissed by KPM.

- (1) In the event of a vacancy in the positions of all members of the Board of Directors, the implementation of the Perumda Percada management duties is carried out by the Supervisory Board.
- (2) The Supervisory Board can appoint internal officials Perumda Percada to assist in carrying out the duties of the Board of Directors until the appointment of a definitive Director for a maximum of 6 (six) months.
- (3) In the event that there is a vacancy in the positions of all members of the Board of Directors and all members of the Supervisory Board, the management of Perumda Percada is carried out by KPM.
- (4) KPM can appoint officials from internal Perumda Percada to assist in carrying out management duties Perumda Percada until the appointment of members of the Supervisory Board and definitive members of the Board of Directors is no later than 6 (six) months.

Paragraph 3 Prohibition

Article 47

- (1) Members of the Board of Directors are prohibited from holding multiple positions as:
 - a. Member of the Board of Directors at other BUMD, owned business entities state, and privately owned enterprises;
 - b. other positions in accordance with the provisions of statutory regulations; and/or
 - c. other positions that may give rise to a conflict of interest.
- (2) Violations of the provisions as intended in paragraph (1) are subject to administrative sanctions in the form of being dismissed at any time from their position as a member of the Board of Direct
- (3) In the event that the provisions as intended in paragraph (2) are not implemented by the KPM no later than 20 (twenty) working days after the person concerned is appointed to a new position as a member of the Board of Directors, the position concerned as a member of the Board of Directors is declared terminated.

Article 48

- (1) Members of the Board of Directors are required to carry out their duties in good faith and responsibility for the interests and business of Perumda Percada.
- (2) Each member of the Board of Directors is fully personally responsible if the person concerned is guilty or neglects to carry out their duties in accordance with the provisions as intended in paragraph (1).
- (3) KPM can file a lawsuit in court against a member of the Board of Directors whose fault or negligence causes losses to Perumda Percada unless the relevant member of the Board of Directors compensates for the losses incurred and deposits them into the regional general treasury account.

Article 49

- (1) Directors' income is determined by KPM.
- (2) The Board of Directors' income as referred to in paragraph (1) consists of a maximum of:

a.

wages; b.

- allowance; c. facility; and/or
- d. bonus or performance incentive.

Paragraph 5

Board of Directors Meeting

Article 50

- (1) All decisions of the Board of Directors are taken at the Board of Directors meeting.
- (2) In certain circumstances, a decision of the Board of Directors can be taken outside the Board of Directors meeting as long as all members of the Board of Directors agree on the method and material of the decision.
- (3) At each meeting of the Board of Directors, minutes of the meeting are drawn up containing matters discussed and decided, including if there is a statement of disagreement from members of the Board of Directors.

Article 51

- (1) Members of the Board of Directors do not have the authority to represent Perumda Believe if:
 - a. a case occurs in court between Perumda Percada and the member of the Board of Directors concerned; and/or
 - b. The member of the Board of Directors concerned has interests that conflict with the interests of the Regional public company.
- (2) In the event that the situation as referred to in paragraph (1), those who have the right to represent Perumda
 - Percada are: a. other members of the Board of Directors who do not have a conflict of interest with Perumda Percada;
 - b. Supervisory Board in the event that all members of the Board of Directors have a conflict of interest with Perumda Percada; or
 - c. Other parties appointed by KPM in all cases members of the Board of Directors or Supervisory Board have a conflict of interest with Perumda Percada.

Article 52

Further provisions regarding the selection and income of members of the Perumda Percada Board of Directors are regulated in the Regent's Regulations.

CHAPTER VIII SELECTION FUNDING

Article 53

The costs of organizing the selection of members of the Supervisory Board and members of the Board of Directors at Perumda Percada are charged to the Regional Revenue and Expenditure Budget of Sukoharjo Regency or Perumda Percada.

CHAPTER IX

Article 54

- (1) The Perumda Percada Internal Supervisory Unit is led by a head who is responsible to the main director.
- (2) The Head of the Internal Supervisory Unit as intended in paragraph (1) comes from Perumda Percada employees.
- (3) The appointment of the head of the Internal Supervisory Unit as intended in paragraph (2) is carried out after receiving a written recommendation from the Supervisory Board.

Article 55

The Internal Supervisory Unit is tasked with:

- a. assist the main director in carrying out operational and financial audits, assessing control, management and implementation, and providing suggestions for improvements;
- b. provide information regarding the results of the inspection or results of the implementation of the duties of the internal supervisory unit as referred to in letter a to the director; and c.

monitor follow-up on reported examination results.

Article 56

- (1) The Internal Supervisory Unit provides a report on the results of the implementation of its duties to the Main Director with a copy to the Supervisory Board.
- (2) The Internal Supervisory Unit can provide information directly to the Supervisory Board regarding the report as intended in paragraph (1).

Article 57

- (1) The main director conveys the results of the Internal Audit Unit inspection to all members of the board of directors, to be followed up at the board of directors' meeting.
- (2) The Board of Directors is obliged to pay attention to and immediately take the necessary steps regarding everything stated in every audit report prepared by the Internal Supervisory Unit.

Article 58

In carrying out its duties, the Internal Supervisory Unit is obliged to maintain the smooth running of the duties of other organizational units within Perumda Percada in accordance with their respective duties and responsibilities.

CHAPTER X EMPLOYMENT

Article 59

Perumda Percada employees are Perumda Percada employees whose appointment, dismissal, position, rights and obligations are determined based on a work agreement in accordance with the provisions of the laws and regulations governing employment.

Article 60

The retirement age limit for Perumda Percada employees is up to 58 (fifty eight) years.

Article 61

- (1) Perumda Percada employees receive fair and appropriate income in accordance with their workload, responsibilities and performance.
- (2) The Board of Directors determines employee income in accordance with the Perumda Percada work plan and budget.
- (3) The income of Perumda Percada employees consists of:
 - a. wages;
 - b. allowance;
 - c. facility; and/or
 - d. production service.
- (4) Further provisions regarding employee income regulated in the Director's Regulations.

Article 62

Perumda Percada is obliged to include employees in health insurance, old age security and other social security programs in accordance with statutory provisions.

Article 63

In order to increase employee competency, Perumda Percada carries out a program to increase human resource capacity.

Article 64

Perumda Percada employees are prohibited from becoming administrators and members of political parties.

Further provisions regarding Perumda personnel Percada is regulated in the Director's Regulations.

CHAPTER XI PENSION FUND

Article 66

- (1) Perumda Percada is obliged to include the Board of Directors and Employees in pension fund programs.
- (2) Pension funds as intended in paragraph (1) can be sourced from:
 - a. pension contributions from Perumda Directors and Employees Perkad;
 - b. assistance from Perumda Percada; And
 - c. other legitimate businesses.

CHAPTER XII BUSINESS PLAN

- (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. current condition of the company;
 - c. assumptions used in preparing the business plan; And
 - d. determining vision, mission, targets, strategies, policies and work programs.
- (3) The Board of Directors submits a draft business plan to the Supervisory Board for joint signature.
- (4) The business plan that has been signed with the Supervisory Board is submitted to KPM for approval.
- (5) The business plan as intended in paragraph (1) is the basis of the performance contract agreement.

CHAPTER XIII WORK PLAN AND BUDGET

Article 68

- (1) The Board of Directors is obliged to prepare a work plan and budget which implements the annual elaboration of the business plan.
- (2) The work plan and budget as intended in paragraph (1) at least contains a detailed plan for the work program and annual budget.
- (3) The Board of Directors submits the work plan and budget to the Supervisory Board no later than the end of November for joint signature.
- (4) The work plan and budget that have been signed with the Supervisory Board are submitted to the KPM for approval.

CHAPTER XIV

STANDARD OPERATIONAL PROCEDURES, GOVERNANCE AND PROCUREMENT OF GOODS AND SERVICES

Part One Standard Operating Procedures

- (1) Perumda Percada operations are carried out based on standard operational procedures.
- (2) Standard operational procedures are prepared by the Board of Directors and approved by the Supervisory Board.
- (3) Standard operational procedures must fulfill the elements of continuous improvement.
- (4) Standard operational procedures as referred to in paragraph (3) at least contain the following aspects:
 - a. organ;
 - b. organization and staffing;
 - c. finance;
 - d. customer service;
 - e. business risks;
 - f. procurement of goods and services;
 - g. goods management;
 - h. marketing; And
 - i. supervision.
- (5) Standard operational procedures as intended in paragraph (4) must be fulfilled no later than 1 (one) year after the establishment of Perumda Percada.

(6) Standard operational procedures as intended in paragraph (4) are submitted to the Regional Secretary.

The second part Good Corporate Governance

- (1) Management of Perumda Percada is carried out in accordance with good corporate governance.
- (2) Good corporate governance as intended in paragraph (1) consists of the principles:
 - a. transparency;
 - b. accountability;
 - c. accountability;
 - d. independence; And
 - e. fairness.
- (3) Implementation of good corporate governance as follows referred to in paragraph (2) aims to:
 - a. achieve the objectives of Perumda Percada;
 - b. optimize the value of Perumda Percada so that the company has strong competitiveness, both nationally as well as internationally;
 - c. encouraging the management of Perumda Percada in a professional, efficient and effective manner, as well as empowering the functions and increasing the independence of Perumda Percada organs;
 - d. encourage Perumda Percada organs to make decisions and carry out actions based on high moral values and compliance with statutory regulations, as well as awareness of Perumda Percada's social responsibility towards stakeholders and environmental sustainability around Perumda Percada;
 - e. increasing the contribution of Perumda Percada to the national economy; And
 - f. improve a conducive business climate for development of national investment.
- (4) Good corporate governance as intended in paragraph (2) and paragraph (3) is determined by the Board of Directors.
- (5) Implementation of good corporate governance is carried out no later than 2 (two) years after the Perumda Percada established.

Part Three Procurement of goods and services

Article 71

- (1) Perumda Percada's procurement of goods and services is carried out taking into account the principles of efficiency and transparency.
- (2) Provisions regarding the procurement of Perumda Percada goods and services as intended in paragraph (1) are stipulated in a Regent's Regulation.

CHAPTER XV

Article 72

- (1) Perumda Percada can collaborate with other parties.
- (2) Perumda Percada prioritizes cooperation with BUMDs belonging to other Regional Governments to support regional cooperation.
- (3) Cooperation as referred to in paragraph (1), is carried out with the principles of: a.
 - in accordance with the provisions of laws and regulations;
 - b. in accordance with good corporate governance and expediency;
 - c. mutually beneficial and provide optimal benefits for Perumda Percada; And
 - d. protect the interests of Perumda Percada, Regional Government and the community.

Article 73

- (1) Cooperation is contained in a cooperation agreement signed by the parties in accordance with their authority.
- (2) The cooperation agreement as intended in paragraph (1), load:
 - a. rights and obligations of the parties;
 - b. cooperation period;
 - c. dispute resolution; And
 - d. sanctions for parties who do not fulfill the agreement.
- (3) The cooperation agreement as intended in paragraph (2), uses good and correct Indonesian.

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The implementation of Perumda Percada cooperation is carried out by the Board of Directors.

Article 75

- (1) Forms of cooperation include:
 - a. surgery (joint operation);
 - b. utilization of equity (joint venture); and c. others
 - in accordance with the provisions of statutory regulations invitation.
- (2) The form of cooperation in the form of operations as intended in paragraph (1) letter a, is carried out with the following provisions:
 - a. approved by KPM; And
 - b. has a business field that supports the main business.
- (3) The form of cooperation in the form of equity utilization as intended in paragraph (1) letter b, is carried out with the following provisions:
 - a. approved by KPM;
 - b. Perumda Percada financial report for 3 (three) years lastly in good health;
 - c. may not invest in capital in the form of land from Perumda Percada which comes from regional capital participation; And
 - d. has a business field that supports the main business.

- (1) Perumda Percada cooperation carried out on the initiative of the cooperation partner must be accompanied by required documents.
- (2) Requirement documents as intended in paragraph (1), includes:
 - a. cooperation proposals;
 - b. cooperation feasibility study;
 - c. third party business plans; And
 - d. third party risk management and collaboration.

CHAPTER XVI

Part One Supervisory Board Reporting

Article 77

- (1) The Supervisory Board report consists of a quarterly report and an annual report.
- (2) Quarterly reports and annual reports as intended in paragraph (1) at least consist of supervision reports submitted to KPM.
- (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 Perumda Percada financial year closes.
- (5) Annual report as intended in paragraph (4) approved by KPM.
- (6) In the event that the Supervisory Board does not sign the annual report as intended in paragraph (4), the reasons must be stated in writing.

The second part Directors' Reporting

- (1) Perumda Percada directors' reports consist of monthly reports, quarterly reports and annual reports.
- (2) Monthly reports and quarterly reports as intended in paragraph (1) consist of operational activity reports and financial reports submitted to the Supervisory Board.
- (3) The annual report as intended in paragraph (1) consists of an audited financial report and a management report signed jointly by the Directors and Supervisory Board.
- (4) Quarterly reports and annual reports as intended in paragraph (2) and paragraph (3) are submitted to KPM.
- (5) The annual report as intended in paragraph (4) is submitted to KPM no later than 90 days (ninety) working days after closing the books.
- (6) The annual report as intended in paragraph (4) is ratified by KPM no later than 30 (thirty) working days after it is received.

- (7) The Board of Directors publishes the annual report to the public no later than 15 (fifteen) working days after the annual report as intended in paragraph (5) is approved by the KPM.
- (8) In the event that the dthearteois do not nsignble reannual report as intended

in paragraph (3) the reasons must be stated in writing.

CHAPTER XVII USE OF PROFITS

Part One Use of Perumda Percada Profits

Article 79

The net profit of Perumda Percada which has been approved by the KPM after tax deductions is determined as follows:

- a. Regional Government 55% (fifty five percent);
- b. Reserve Fund 20% (twenty percent);
- c. TJSLP 3% (three percent);
- d. Education Fund 3% (three percent); e.

Production Services 15% (fifteen percent); and f.

bonus for the Supervisory Board and Directors as well as a bonus for employees of 4% (four percent).

Article 80

- (1) Reserve funds up to 20% (twenty percent) of the capital can only be used to cover Perumda Percada losses.
- (2) If the reserve fund exceeds 20% (twenty percent) of the capital, the KPM may decide that The excess of the reserve funds is used for Perumda Percada purposes.
- (3) The Board of Directors must manage reserve funds so that the reserve funds obtain profits in a good manner by taking into account the provisions of laws and regulations.
- (4) Profits obtained from reserve fund management are included in the profit and loss calculation.

Article 81

Regional public company profits are the rights of the Region is regional acceptance after being ratified by KPM.

If the profit and loss calculation for a financial year shows a loss that cannot be covered with reserve funds, the loss is still recorded in Perumda Percada's books and is considered not to have made a profit as long as the recorded loss has not been completely covered in accordance with the provisions of the statutory regulations.

> The second part Use of Profits for Social Responsibility

Article 83

- (1) Perumda Percada carries out social and environmental responsibilities by setting aside a portion of net profit.
- (2) The use of profits for social and environmental responsibility as intended in paragraph (1) is prioritized for educational, social and environmental purposes.

CHAPTER XVIII PERUMDA PERCADA BUSINESS UNIT

Article 84

- (1) Perumda Percada can form business units.
- (2) The establishment of business units as intended in paragraph (1) is carried out in accordance with the provisions of statutory regulations.

CHAPTER XIX BANKRUPTCY

- (1) Perumda Percada can be declared bankrupt in accordance with the provisions of statutory regulations.
- (2) The Directors of Perumda Percada can only submit a request to the Court to have Perumda Percada declared bankrupt after obtaining approval from the Regent and DPRD, to be subsequently determined by the KPM.
- (3) In the event that bankruptcy occurs due to the fault or negligence of the Directors and Perumda Percada's assets are not sufficient to cover the losses resulting from the bankruptcy, each member of the Board of Directors is jointly and severally responsible for the losses in question.
- (4) The responsibility as intended in paragraph (3) also applies to members of the Board of Directors who are at fault or negligent who have not served 5 (five) years before Perumda Percada was declared bankrupt.

(5) Members of the Board of Directors who can prove that bankruptcy was not due to their fault or negligence are not jointly and severally liable for the losses in question.

Article 86

- (1) In the event that the assets of a Perumda Percada declared bankrupt are used to serve the basic needs of the community, the Regional Government takes over the assets to serve the basic needs of the community without changing the purpose and function of the assets concerned.
- (2) In the event that the Regional Government cannot take over what is used to serve the basic needs of the community as intended in paragraph (1), the Regional Government is obliged to provide the basic needs of the community intended.

CHAPTER XX DISSOLUTION

Article 87

- (1) The dissolution of Perumda Percada is determined by Regulation Area.
- (2) The functions of Perumda Percada which are dissolved as intended in paragraph (1) are carried out by the Government Area.
- (3) Regional assets resulting from the dissolution of Perumda Percada are returned to the Region.

CHAPTER XXI

COACHING, SUPERVISION, EVALUATION AND ASSESSMENT HEALTH LEVEL, AND RESTRUCTURING

Part One Coaching

- (1) The Regional Government carries out guidance on governance manage Perumda Percada.
- (2) Guidance as intended in paragraph (1) is carried out by:
 - a. Regional Secretary;
 - b. officials in the Regional Government who carry out functions Perumda Percada technical development; And
 - c. officials in the Regional Government who carry out supervisory functions at the request of the Regional Secretary.

The Regional Secretary carries out guidance on the governance of Perumda Percada on strategic policies.

Article 90

- (1) Officials in the Regional Government who carry out the technical development function of Perumda Percada have the task of carrying out:
 - a. organizational, management and financial development;
 - b. management development;
 - c. fostering asset utilization;
 - d. business development coaching;
 - e. monitoring and evaluation;
 - f. coaching administration; And
 - g. other functions assigned by the Regional Secretary.
- (2) The officials as intended in paragraph (1) are adjusted to the Regional apparatus or work unit in the Regional apparatus that handles BUMD.

The second part Supervision

Article 91

- (1) Supervision of Perumda Percada is carried out to uphold good corporate governance.
- (2) Supervision as intended in paragraph (1) is carried out by internal supervision and external supervision.
- (3) Internal supervision as intended in paragraph (2) is carried out by the internal supervisory unit.
- (4) External supervision as intended in paragraph (2) carried out by the Regional Government.
- (5) Supervision by the Regional Government as intended in paragraph(4) is carried out by officials in the Regional Government who carry out the supervisory function.

Part Three Evaluation and Assessment of Health Level

- (1) Evaluation of Perumda Percada is carried out by comparing targets and realization.
- (2) Evaluation of Perumda Percada as intended in paragraph (1) is carried out at least once every 1 (one) year.

- (3) The evaluation as intended in paragraph (2) is carried out by:
 - a. Perumda Percada; and/or

b. Local government.

- (4) The evaluation as intended in paragraph (2) is at least includes:
 - a. performance assessment;
 - b. assessment of health level; And
 - c. service assessment.

Article 93

- (1) Health level assessment is a benchmark for the performance of Perumda Percada.
- (2) The health level assessment is carried out every year by Perumda Percada and submitted to KPM.
- (3) The assessment of the health level of Perumda Percada is the basis evaluation.
- (4) The Regent submits the results of the health level assessment to the Minister.

Article 94

Further provisions regarding the procedures for evaluating Perumda Percada as intended in Article 92 are regulated by a Regent's Regulation.

Part Four Restructurisation

Article 95

- (1) Restructuring is carried out with the aim of making Perumda Percada healthy so that it can operate efficiently, accountably, transparently and professionally.
- (2) The restructuring as intended in paragraph (1) aims to: a. improving the

performance and value of Perumda Percada;

- b. provide benefits in the form of profits and taxes to countries and regions; and/or
- c. produce products and services at affordable prices competitive to consumers.
- (3) Restructuring is carried out on Perumda Percada if it experiences losses and these losses threaten the continuity of Perumda Percada's business.
- (4) Restructuring is carried out with due attention cost efficiency, benefits, and risks.

- (1) Restructuring includes regulatory restructuring and/or company restructuring.
- (2) Restructuring as intended in paragraph (1) implemented through:
 - a. Internal restructuring covering finance, management, operations, systems and procedures; And
 - b. Structuring the functional relationship between the Regional Government and Perumda Percada to determine direction in implementing public service obligations.

CHAPTER XXI MISCELLANEOUS PROVISIONS

Article 97

- (1) The Regent represents the regional government in ownership Regional assets are separated into Perumda Percada.
- (2) The Regent as the owner of capital in Perumda Percada 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 into Perumda Percada.
- (4) Amount of Incentive as intended in paragraph (3) determined based on:
 - a. Perumda Percada performance targets;
 - b. Classification of regional wealth management results separated into Perumda Percada; And
 - c. Perumda Percada financial report.
- (5) Provisions regarding the exercise of authority and incentives for the exercise of authority as intended in paragraph (3) and paragraph (4) are regulated in Regent Regulations in accordance with the provisions of statutory regulations.

CHAPTER XXII TRANSITIONAL PROVISIONS

Article 98

When this Regional Regulation comes into force, then:

- a. all rights, obligations, assets, facilities, infrastructure, management, staffing and capital of PD Percada transfer to Perumda Percada; And
- b. The Supervisory Board and directors of PD Percada continue to carry out their duties until their term of office ends.

CHAPTER XXIII CLOSING

Article 99

When this Regional Regulation comes into force, Sukoharjo Regency Regional Regulation Number 21 of 2007 concerning Printing and Publishing Companies (Sukoharjo Regency Regional Gazette of 2007 Number 23, Supplement to Sukoharjo Regency Regional Gazette Number 152) is revoked and declared invalid.

Article 100

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 December 31 2019

REGENT SUKOHARJO,

Promulgated in Sukoharjo on December 31, 2019

WARDOYO WIJAYA

REGIONAL SECRETARY SUKOHARJO DISTRICT,

AGUS SANTOSA

SUKOHARJO DISTRICT REGIONAL GAZETTE YEAR 2019 NUMBER 11

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