

BUPATI SUKOHARJO
SUHOKHARJO REGENCY REGULATION
NUMBER 2 OF 2013
CONCERNING
THE REGIONAL AGRICULTURAL COMPANY OF SUKOHARJO REGENCY

WITH THE GRACE OF GOD ALMIGHTY
BUPATI SUKOHARJO

Considering :

- a. That one of the tasks of the regional government is to actively encourage and accelerate the development of the regional economy by developing and empowering Regional Companies as one of the sources of income for the region;
- b. That the agricultural sector is a leading sector in which a large part of the people of Sukoharjo Regency are engaged, thus there is a need to empower farmers by providing institutional support through the establishment of the Regional Agricultural Company;
- c. That some agricultural assets in Sukoharjo Regency, which have the potential to support economic development, have not been maximally utilized;
- d. That based on the considerations mentioned in letters a, b, and c, it is necessary to establish a Regional Regulation on the Regional Agricultural Company of Sukoharjo Regency.

Rememberin:

1. Article 18, paragraph (6) of the Constitution of the Republic of Indonesia of 1945;
2. Law Number 13 of 1950 concerning the Formation of Districts within the Province of Central Java;
3. Law Number 5 of 1962 concerning Regional Companies (State Gazette of the Republic of Indonesia 1962 Number 10, Supplement to State Gazette of the Republic of Indonesia Number 2387) in conjunction with Law Number 6 of 1969 concerning the Declaration of Invalidity of Various Laws and Government Regulations in Lieu of Laws (State Gazette of the Republic of Indonesia 1969 Number 37, Supplement to State Gazette of the Republic of Indonesia Number 2901)
4. Law Number 17 of 2003 concerning State Finance (State Gazette of the Republic of Indonesia 2003 Number 47, Supplement to State Gazette of the Republic of Indonesia Number 4286);
5. Law Number 1 of 2004 concerning State Treasury (State Gazette of the Republic of Indonesia 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);
6. Law Number 32 of 2004 concerning Regional Government (State Gazette of the Republic of Indonesia 2004 Number 125, Supplement to State Gazette of the Republic of Indonesia Number 4437), as amended by Law Number 12 of 2008 concerning the Second Amendment to Law Number 32 of 2004 concerning Regional Government (State Gazette of the Republic of

- Indonesia 2008 Number 59, Supplement to State Gazette of the Republic of Indonesia Number 4844);
7. Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments (State Gazette of the Republic of Indonesia 2004 Number 126, Supplement to State Gazette of the Republic of Indonesia Number 4438);
 8. Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia 2011 Number 82, Supplement to State Gazette of the Republic of Indonesia Number 5234);
 9. Government Regulation Number 58 of 2005 concerning Regional Financial Management (State Gazette of the Republic of Indonesia 2005 Number 140, Supplement to State Gazette of the Republic of Indonesia Number 4578);
 10. Government Regulation Number 6 of 2006 concerning Management of State/Regional Assets (State Gazette of the Republic of Indonesia 2006 Number 20, Supplement to State Gazette of the Republic of Indonesia Number 4609), as amended by Government Regulation Number 38 of 2008 concerning Amendments to Government Regulation Number 6 of 2006 concerning Management of State/Regional Assets (State Gazette of the Republic of Indonesia 2008 Number 78, Supplement to State Gazette of the Republic of Indonesia Number 48550);
 11. Government Regulation Number 38 of 2007 concerning the Division of Government Affairs between the Central Government, Provincial Governments, and District/City Governments (State Gazette of the Republic of Indonesia 2007 Number 82, Supplement to State Gazette of the Republic of Indonesia Number 4737);
 12. Government Regulation Number 50 of 2007 concerning the Procedures for the Implementation of Regional Cooperation (State Gazette of the Republic of Indonesia 2007 Number 112, Supplement to State Gazette of the Republic of Indonesia Number 4761);
 13. Presidential Regulation Number 1 of 2007 concerning the Ratification, Promulgation, and Dissemination of Legislation;

By Joint Agreement

THE REGIONAL PEOPLE'S REPRESENTATIVE
COUNCIL OF SUKOHARJO DISTRICT

and

THE BUPATI OF SUKOHARJO

DECIDES:

To establish:

REGIONAL REGULATION ON THE
REGIONAL AGRICULTURAL COMPANY
OF SUKOHARJO DISTRICT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this regional regulation, the following terms are defined as:

1. Region means Sukoharjo District.
2. Bupati means the Bupati of Sukoharjo.
3. Regional Government means the Bupati and regional apparatus as the elements of regional government administration.
4. Regional People's Representative Council, hereinafter referred to as DPRD, means the Regional People's Representative Council of Sukoharjo District.
5. Regional Agricultural Company means a regional company engaged in agricultural empowerment.
6. Board of Supervisors means the Board of Supervisors of the Regional Agricultural Company of Sukoharjo District.
7. Director means the Director of the Regional Agricultural Company of Sukoharjo District.
8. Employees means employees of the Regional Agricultural Company of Sukoharjo District.
9. Production services means the net profit after deductions for depreciation, reserves, and other appropriate reductions in the company.

CHAPTER II NAME AND LOCATION

Article 2

- (1) This regional regulation establishes the Regional Company named Regional Agricultural Company of Sukoharjo District.
- (2) The Regional Company as referred to in paragraph (1) is based in Sukoharjo District and has operational areas within the district.

CHAPTER III FUNCTION, PURPOSE, AND BUSINESS ACTIVITIES

Article 3

The function of the Regional Agricultural Company is to act as a business entity in the agricultural sector, supporting local food security and empowering farmers.

Article 4

The purpose of the Regional Agricultural Company is:

- a. To promote economic growth and agricultural development in the region in order to improve the welfare of farmers; and
- b. To increase the Regional Original Revenue (PAD).

Article 5

To achieve the purposes outlined in Article 4, the Regional Agricultural Company will carry out activities including, but not limited to:

- a. Engaging in drying and rice milling unit businesses that generate profits and provide public services;
- b. Engaging in seed production and breeding businesses; and
- c. Engaging in agricultural infrastructure trade, service provision, and other areas that can contribute to the advancement of the Regional Agricultural Company and other related agricultural sectors beyond those mentioned in points a and b.

Paragraph 3

Duties and Authority

Article 12

The Supervisory Board has the following duties:

- a. To supervise the operational activities of the Regional Agricultural Enterprise;
- b. To provide opinions and recommendations to the Regent regarding the appointment and dismissal of the Director;
- c. To provide opinions and recommendations to the Regent regarding the Work Program submitted by the Director;
- d. To provide opinions and recommendations to the Regent regarding the Balance Sheet and Profit/Loss Report; and
- e. To provide opinions and recommendations on the Performance Report of the Regional Agricultural Enterprise.

Article 13

The Supervisory Board has the following authority:

- a. To issue a warning to the Director who fails to perform duties according to the approved work program;
- b. To investigate the Director suspected of causing harm to the Regional Agricultural Enterprise;
- c. To examine all operational activities of the Regional Agricultural Enterprise; and
- d. To report the results of the examination to the Regent.

Paragraph 4
Income and Service Fees

Article 14

- (1) The Supervisory Board is provided with income in the form of service fees.
- (2) The Chairperson of the Supervisory Board, who also serves as a member, receives a service fee of up to 40% (forty percent) of the Director's salary.
- (3) Each member of the Supervisory Board receives a service fee of up to 30% (thirty percent) of the Director's salary.

Article 15

In the event of profit, the Supervisory Board is entitled to a portion of the production services in proportion, based on the provisions outlined in Article 14.

Article 16

- (1) The Supervisory Board receives service fees of up to 45% (forty-five percent) of what the Director receives.
- (2) For a Supervisory Board member who is honorably dismissed before the end of their term, they will receive service fees provided that they have served at least 1 (one) year.

Paragraph 5
Dismissal

Article 17

- (1) The Supervisory Board is dismissed due to:
 - a. The expiration of their term; and
 - b. Death.
- (2) The Supervisory Board is dismissed due to:
 - a. Resignation;
 - b. Reorganization;
 - c. The termination of their position as a regional official;
 - d. Reaching the age limit of 60 (sixty) years;
 - e. Inability to perform duties;
 - f. Engaging in actions that harm the Regional Agricultural Enterprise;
 - g. Taking actions or behaving in a manner that conflicts with the interests of the Region and/or State; and
 - h. Being convicted by a court ruling that has obtained permanent legal force.
- (3) The dismissal of the Supervisory Board as referred to in paragraphs (1) and (2) is determined by the Regent's Decree.

Article 18

- (1) A Supervisory Board member who engages in acts as referred to in Article 17 paragraph (2) letters f and g will be temporarily dismissed by the Regent.
- (2) The temporary dismissal referred to in paragraph (1) is determined by the Regent's Decree.

Article 19

- (1) No later than 1 (one) month after the temporary dismissal, the Regent shall hold a meeting attended by the Supervisory Board members to decide whether the concerned individual will be dismissed or rehabilitated.
- (2) If within 1 (one) month the Regent has not held the meeting referred to in paragraph (1), the temporary dismissal is automatically annulled by law.
- (3) If during the meeting referred to in paragraph (1) a member of the Supervisory Board fails to attend without valid reason, they will be considered to accept the outcome of the meeting.
- (4) If the act committed by a member of the Supervisory Board is a criminal act that has obtained permanent legal force, the individual will be dismissed dishonorably.

Part Four
Director

Paragraph 1
Appointment

Article 20

- (1) The Director is appointed by the Regent upon the recommendation of the Supervisory Board.
- (2) To be appointed as Director, the following requirements must be met:
 - a. Indonesian citizen;
 - b. At least holding a Bachelor's degree (S1);
 - c. Preferably having a minimum of 5 (five) years of work experience in managing a company, proven by a reference letter from the previous company with a good evaluation, and demonstrating good ethics and morals;
 - d. Prepare and present a proposal on the company's vision, mission, and strategy;
 - e. Not having family relations with the Regent/Deputy Regent, the Director, or other members of the Supervisory Board up to the third degree, both by direct descent or by marriage, including son-in-law and brother-in-law;
 - f. Pass the fit and proper test conducted by a team of experts appointed by the Regent; and
 - g. Never been convicted of a prison sentence based on a court decision that has obtained permanent legal force due to committing a criminal offense punishable by a prison sentence of at least 5 (five) years or more.
- (3) The appointment of the Director as referred to in paragraph (1) is determined by the Regent's Decree.

Article 21

- (1) A person may serve as Director for a maximum of 2 (two) terms.
- (2) The Director's term is set for 4 (four) years.
- (3) Reappointment for the second term as referred to in paragraph (1) is carried out if the Director shows improved performance every year.
- (4) In addition to the provisions in paragraph (3), the Director's term ends when they reach 60 (sixty) years of age.

Paragraph 2 Prohibitions

Article 22

- (1) The Director is prohibited from holding multiple positions, namely:
 - a. Structural or functional positions in central or regional government agencies/institutions;
 - b. Director positions in other Regional-Owned Enterprises, State-Owned Enterprises, or Private Sector Companies;
 - c. Positions that may cause a conflict of interest with the Regional Agricultural Enterprise; and/or
 - d. Other positions as regulated by law.
- (2) The Director must not have personal interests, directly or indirectly, that may lead to a conflict of interest with the Regional Agricultural Enterprise.
- (3) The Director is prohibited from taking actions that harm the regional enterprise and/or act in a manner that conflicts with regional interests.

Paragraph 3 Duties and Authority

Article 23

The Director has the following duties:

- a. To prepare plans, coordinate, and supervise all operational activities of the Regional Agricultural Enterprise;
- b. To establish provisions concerning matters related to employees;
- c. To develop employees;
- d. To manage and administer the assets of the Regional Agricultural Enterprise;
- e. To organize general administration and finance;
- f. To prepare the Four-Year Strategic Business Plan (business plan/corporate plan) approved by the Regent through the recommendation of the Supervisory Board;
- g. To prepare and submit the Annual Business and Budget Plan of the Regional Agricultural Enterprise, which is the annual breakdown of the Strategic Business Plan (business plan/corporate plan), to the Regent through the Supervisory Board; and

h. To prepare and submit reports on all activities of the Regional Agricultural Enterprise.

Article 24

- (1) The reports referred to in Article 23 letter h consist of Quarterly Reports and Annual Reports.
- (2) The Quarterly Report referred to in paragraph (1) consists of operational and financial activity reports, which are submitted to the Supervisory Board.
- (3) The Annual Report referred to in paragraph (1) consists of audited financial statements and a management report, signed by both the Director and the Supervisory Board, which is submitted to the Regent.
- (4) The Annual Report referred to in paragraph (3) must be submitted no later than 120 (one hundred and twenty) days after the closing of the fiscal year of the Regional Agricultural Enterprise for approval by the Regent, no later than 30 (thirty) days after receipt.
- (5) The Regional People's Representative Council (DPRD) is provided with a report in the form of a balance sheet and profit/loss statement.
- (6) The Director or Supervisory Board member who does not sign the Annual Report referred to in paragraph (3) must provide a written explanation for their refusal.

Article 25

The Director, in carrying out the duties as referred to in Article 23, has the following authority:

- a. To hire and dismiss employees of the Regional Agricultural Enterprise in accordance with regulations related to the employees of the Regional Agricultural Enterprise, with the approval of the Supervisory Board;
- b. To establish the organizational structure and work procedures of the Regional Agricultural Enterprise with the approval of the Supervisory Board;
- c. To appoint employees for positions below the Director;
- d. To represent the Regional Agricultural Enterprise both inside and outside the court;
- e. To appoint an attorney to take legal actions representing the Regional Agricultural Enterprise;
- f. To sign the Quarterly and Annual Reports;
- g. To sell, mortgage, or release the assets of the Regional Agricultural Enterprise, based on the approval of the Regent with the consideration of the Supervisory Board.
- h. To take out loans, bind themselves in agreements, and collaborate with other parties with the approval of the Regent, considering the Supervisory Board and/or the Regional People's Representative Council (DPRD), by pledging the assets of the Regional Agricultural Enterprise.

Article 26

To support the smooth management of the Regional Agricultural Enterprise, the Director may be given a representative fund of up to 15% (fifteen percent) of the total income in one (1) year.

Paragraph 4
Appointment of Interim Officials

Article 27

- (1) If, by the end of the Director's term, the appointment of a new Director is still in process, the Regent may appoint an interim official.
- (2) The appointment of the interim official as referred to in paragraph (1) is determined by the Regent's Decree.
- (3) The Regent's Decree as referred to in paragraph (2) is valid for a maximum of 6 (six) months.
- (4) The interim official as referred to in paragraph (1) is not sworn in or inaugurated.

Paragraph 5
Income, Service Fees, and Leave

Article 28

- (1) The Director's income consists of salary and allowances.
- (2) The allowances referred to in paragraph (1) consist of:
 - a. Health/maintenance allowance, including for spouse and children; and
 - b. Other allowances.
- (3) If the Regional Agricultural Enterprise generates profits, the Director will receive a share of the Production Service Fees.
- (4) The amount of salary, allowances, and share of the production service fees as referred to in paragraphs (1), (2), and (3) is determined by the Regent after considering the Supervisory Board's opinion and the financial capability of the Regional Agricultural Enterprise.
- (5) The total cost for the Director's salary, Supervisory Board's salary, employee salaries, and other labor costs cannot exceed 35% (thirty-five percent) of the total cost based on the realized budget of the previous fiscal year.

Article 29

- (1) The Director, at the end of their term, will receive a service fee, the amount of which is determined by the Regent's Decree based on the proposal of the Supervisory Board.
- (2) A Director who is honorably dismissed before the end of their term will receive a service fee as referred to in paragraph (1), provided that they have served for at least 1 (one) year.

Article 30

- (1) The Director is entitled to the following types of leave:
 - a. Annual leave;
 - b. Long leave;
 - c. Sick leave;
 - d. Leave for important reasons or leave for performing Hajj;
 - e. Maternity leave; and
 - f. Leave without pay from the Regional Agricultural Enterprise.
- (2) The Director who takes leave as referred to in paragraph (1) will continue to receive full income, except for leave without pay from the Regional Agricultural Enterprise.

(3) The implementation of leave as referred to in paragraph (1) will be further regulated by the Regent, based on applicable laws and regulations.

Paragraph 6
Dismissal

Article 31

- (1) The Director will be dismissed due to:
 - a. The end of their term; and
 - b. Death.
- (2) The Director may be dismissed due to:
 - a. Personal request;
 - b. Reorganization.
 - c. Taking actions that harm the Regional Agricultural Enterprise;
 - d. Taking actions or behaving in a way that contradicts the interests of the region and/or the State;
 - e. Reaching the age limit of 60 (sixty) years;
 - f. Being unable to perform their duties; and
 - g. Being sentenced to a criminal penalty based on a court ruling that has obtained permanent legal force.
- (3) The dismissal of the Director as referred to in paragraphs (1) and (2) is determined by the Regent with the Regent's Decree.

Article 32

- (1) A Director suspected of committing acts as referred to in Article 31, paragraph (2), letters c and d will be temporarily dismissed by the Regent at the proposal of the Supervisory Board for a maximum period of 1 (one) month.
- (2) The temporary dismissal as referred to in paragraph (1) is determined by the Regent with reasons provided and notified to the concerned individual.

Article 33

- (1) No later than 1 (one) month after the temporary dismissal as referred to in Article 32, the Supervisory Board shall conduct a meeting attended by the Director to decide whether the Director will be dismissed or rehabilitated.
- (2) The Supervisory Board shall report the results of the meeting as referred to in paragraph (1) to the Regent as material for the Regent to either dismiss or rehabilitate the Director.
- (3) If the Director is absent from the meeting as referred to in paragraph (1) without a valid reason, the Director is deemed to accept the outcome of the Supervisory Board's meeting.
- (4) If the act committed by the Director is a criminal offense with a guilty verdict that has obtained permanent legal force, the Director will be dismissed dishonorably.

CHAPTER VI
EMPLOYEES

Article 34

- (1) Employees are regulated according to the provisions related to employees of the Regional Agricultural Enterprise in accordance with applicable laws and regulations.
- (2) The provisions related to employees as referred to in paragraph (1) shall be determined by the Director with the approval of the Supervisory Board.
- (3) Employees are appointed and dismissed by the Director with the approval of the Supervisory Board in accordance with applicable laws and regulations.

CHAPTER VII
PLANNING AND REPORTING

Section One
Strategic Business Plan

Article 35

- (1) The Director is required to prepare a Strategic Business Plan to be achieved within a period of 4 (four) years.
- (2) The Strategic Business Plan as referred to in paragraph (1) must at least include:
 - a. The values and expectations of stakeholders;
 - b. Vision and mission;
 - c. Analysis of internal and external conditions;
 - d. Objectives and strategic initiatives;
 - e. 4 (four) year program; and
 - f. Financial projections.
- (3) The Strategic Business Plan, signed jointly with the Supervisory Board, shall be submitted to the Regent for approval.

Section Two
Annual Work Plan and Budget

Article 36

- (1) The Director is required to prepare an annual work plan and budget, which is the annual breakdown of the Strategic Business Plan as referred to in Article 35, no later than 2 (two) months before the start of the fiscal year.
- (2) The annual work plan and budget as referred to in paragraph (1) must at least include:
 - a. A detailed plan for the work program and annual budget; and
 - b. Other matters related to the development plan of the Regional Enterprise requiring the Regent's Decree.

(3) The draft of the annual work plan and budget that has been approved by the Supervisory Board shall be submitted to the Regent for approval.

Article 37

(1) If by January 31 of the current year the Regent has not provided approval, the annual work plan and budget shall be considered valid.

(2) Any changes to the annual work plan and budget during the relevant fiscal year must receive the Regent's approval.

(3) The implementation of the annual work plan and budget is the responsibility of the Director.

Section Three

Fiscal Year and Annual Report

Article 38

(1) The fiscal year of the Regional Agricultural Enterprise is the calendar year.

(2) The Director shall submit the annual report, which has been audited by a Public Accountant, to the Regent through the Supervisory Board no later than 3 (three) months after the end of the fiscal year for approval.

CHAPTER VIII

DISTRIBUTION OF PROFITS

Article 39

(1) The use of net profits is regulated as follows:

- a. 55% (fifty-five percent) for the Regional Government;
- b. 25% (twenty-five percent) for reserve funds;
- c. 10% (ten percent) for production services;
- d. 5% (five percent) for purpose-specific reserve funds; and
- e. 5% (five percent) for social funds.

(2) The net profit allocated to the Regional Government shall be entirely deposited into the Regional Treasury.

CHAPTER IX

SUPERVISION

Article 40

General supervision of the Regional Agricultural Enterprise is carried out by the Regent and Deputy Regent.

CHAPTER X

DISSOLUTION

Article 41

(1) The dissolution of the Regional Agricultural Enterprise shall be determined by Regional Regulation.

(2) The dissolution of the Regional Agricultural Enterprise, as referred to in paragraph (1), shall be carried out by a liquidator appointed by the Regent.

(3) The liquidator, as referred to in paragraph (2), shall submit a report on the dissolution of the Regional Agricultural Enterprise to the Regent.

(4) In the event the Regional Agricultural Enterprise is dissolved, its debts and financial obligations shall be paid from the assets of the Regional Agricultural Enterprise, and any surplus or deficit shall become the property/responsibility of the Regional Government.

CHAPTER XI FINAL PROVISIONS

Article 42

This Regional Regulation shall come into force on the date of its promulgation. In order for everyone to be informed, the promulgation of this Regional Regulation shall be ordered by its publication in the Sukoharjo Regency Official Gazette.

Established in Sukoharjo
on February 25, 2013
THE REGENT OF SUKOHARJO,
(signature)
WARDOYO WIJAYA

Promulgated in Sukoharjo
on May 30, 2013
SECRETARY OF SUKOHARJO REGENCY,
(signature)
AGUS SANTOSA

SUKOHARJO REGENCY OFFICIAL GAZETTE
YEAR 2013 NUMBER 3

A copy in accordance with the original
HEAD OF THE LEGAL DIVISION,
TEGUH PRAMONO, SH, MH
Supervisor
NIP. 19710429 199803 1 003

EXPLANATION
OF
SUHOKARJO REGENCY REGULATION
NUMBER 2 OF 2013
ON
SUHOKARJO REGENCY AGRICULTURAL REGIONAL COMPANY

I. GENERAL

The dynamics of the economy today have directly or indirectly influenced the level of community welfare. In this regard, the Sukoharjo Regency Government, as the organizer of governance in the Sukoharjo Regency area, needs to play a role in driving the regional economic growth to a better level.

The establishment of the Agricultural Regional Company is one of the efforts by the local government to increase regional income and empower farmers. It is expected to become a catalyst in supporting the movement of the regional economy to a higher level and contribute to improving the welfare of the people in Sukoharjo Regency.

To achieve this, it is necessary to establish a Regional Regulation on the Agricultural Regional Company.

II. EXPLANATION OF EACH ARTICLE

Article 1

Clear.

Article 2

Clear.

Article 3

“Food security” refers to the condition where food for households is sufficiently provided, both in quantity and quality, is safe, evenly distributed, and accessible, in order to improve the prosperity and welfare of farmers and society in general.

Article 4

Clear.

Article 5

Letter a

“Drying” refers to the process of removing water content from agricultural products to produce quality and productive agricultural commodities.

“Rice milling unit” refers to a rice milling process where the husking and polishing machines are integrated into one unit, allowing rice to be produced directly from paddy.

Letter b

“Seed production” refers to all activities related to the procurement, management, and distribution of plant seeds.

“Seed breeding” refers to a system in the field of seeds and/or livestock breeding, including fish, which at least includes breeding, procurement, multiplication, production, circulation, import and export, quality control, business development, and seedling institutions.

Letter c

Agricultural infrastructure includes agricultural tools, machinery, and production facilities.

Article 6

Paragraph (1)

Clear.

Paragraph (2)

Clear.

Paragraph (3)

Clear.

Paragraph (4)

Clear.

Paragraph (5)

Clear.

Paragraph (6)

Separated regional assets refer to regional assets that are released from public control, which are accounted for in the Regional Financial Budget and intended to be controlled and accountable by the local government itself.

Article 7

Clear.

Article 8

Paragraph (1)

The position of the Regent as the owner of the regional company is based on the head of the regional government as the head of the local government who holds the power of regional financial management and represents the local government in the ownership of separated regional assets.

Paragraph (2)

"Substitution rights" refers to the right of the Regent to appoint another party (Regional Official) as a substitute for the Regent in handling the Agricultural Regional Company when the Regent is unable to perform duties.

Article 9

Clear.

Article 10

Paragraph (1)

Clear.

Paragraph (2)

"Principle of efficiency in supervision" refers to the action of monitoring or inspecting activities to ensure the achievement of objectives according to the plan, ensuring that the implementation runs well.

"Principle of effectiveness in decision-making" refers to the guidelines for group decision-making that involves specialists and experts so that the decisions made are better.

Article 11

Paragraph (1)

"One term of office" refers to holding the same position.

Paragraph (2)

Clear.

Article 12

Clear.

Article 13

Letter a

Clear.

Letter b

Clear.

Letter c

Clear.

Letter d

The report of the inspection results is written and signed by the chairman and members of the Supervisory Board.

Article 14

Clear.

Article 15

"Proportional" refers to being balanced according to the work or tasks.

Article 16

Paragraph (1)

The service allowance is given to the Supervisory Board after they have been honorably dismissed, in accordance with the provisions for the service allowance received by the director.

Paragraph (2)

Clear.

Article 17

Clear.

Article 18

Clear.

Article 19

Paragraph (1)

"Rehabilitation" refers to an action by the Regent to restore the rights of an individual (Supervisory Board) who has lost them due to a decision that, upon further review, proves that the mistake made was

less serious than originally assumed or that the person was found to be innocent. The focus of rehabilitation lies in restoring the honor and position that was regained.

Paragraph (2)

Clear.

Paragraph (3)

Clear.

Paragraph (4)

Clear.

Article 20

Paragraph (1)

Clear.

Paragraph (2)

Letter a

Clear.

Letter b

Clear.

Letter c

Clear.

Letter d

Clear.

Letter e

Clear.

Letter f

"Expert team" refers to a team consisting of Regional Officials, Academics, and members of the Supervisory Board, with a maximum of 5 (five) members and an odd number of members.

Letter g

Clear.

Paragraph (3)

Clear.

Article 21

Paragraph (1)

"Two terms of office" refers to holding the same position.

Paragraph (2)

"Four years" refers to one term of office.

Paragraph (3)

Performance improvement indicators consist of financial aspects, operational aspects, and administrative aspects, which are evaluated at the end of each year by the Supervisory Board and reported to the Regent. These indicators include the improvement of the profit-to-asset ratio, the profit-to-sales ratio, and service coverage.

Paragraph (4)

Clear.

Article 22

Paragraph (1)

Clear.

Paragraph (2)

"Conflict of interest" refers to a situation or condition where the Director, due to their position, has authority that could potentially be misused, intentionally or unintentionally, for other interests, which may influence the quality of their decisions and the performance outcomes of those decisions, potentially harming the Agricultural Regional Company.

Paragraph (3)

Clear.

Article 23

Letter a

Clear.

Letter b

The key provisions regarding employees, which fall under the Director's duties, include organizing the structure and work procedures applicable in the Regional Company. All matters concerning employees are outlined in Decrees and Standard Operating Procedures signed by the Director, submitted to the Supervisory Board, and approved by the Regent.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

The term "general administration and finance" refers to the Director's responsibility for the entire financial rotation of the Regional Company in accordance with Standard Operational Management.

Letter f

The term "business plan/corporate plan" refers to a strategic development plan for the Regional Agricultural Company in the future, which is designed fundamentally, comprehensively, and sustainably to realize the vision and mission of the Regional Agricultural Company. This plan is formulated by considering environmental conditions and the company's competitive competency.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Article 24

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
The term "financial statements in the form of a balance sheet and profit/loss report" refers to the annual report that has been approved by the Regent.

Paragraph (6)
Self-explanatory.

Article 25
Self-explanatory.

Article 26
Representative funds are intended to support the smooth management and operations of the Director in relation to their duties for the advancement of the Regional Agricultural Company. Therefore, their use must be regulated by the Director in an effective and efficient manner.

Article 27
Self-explanatory.

Article 28
Paragraph (1)
Salaries and allowances are determined by the Regent.

Paragraph (2)
Letter a
The term "husband/wife" refers to the legally recognized spouse of the Director of the Regional Company under the laws of the Republic of Indonesia.

The term "child" refers to the legally recognized child of the Director of the Regional Company and/or a child legally acknowledged under national law, who is under 18 (eighteen) years old, has never been married, has no independent income, and is eligible for benefits for up to a maximum of two (2) children.

Letter b
The term "other allowances" includes, among others, holiday allowances, death allowances, accident allowances, rice allowances, and other benefits directly related to social welfare.

The provisions regarding these allowances are adjusted based on necessity and take into account the financial capacity of the Regional Company.

Paragraph (3)
The term "production services" refers to the portion of profits allocated to the management and employees of the Regional Agricultural Company as a reward for their productivity.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Self-explanatory.

Article 29
Self-explanatory.

Article 30
Paragraph (1)
Letter a
Self-explanatory.

Letter b
The term "extended leave" refers to long leave granted to a director who is re-elected to the same position. The director is entitled to extended leave/a long break after serving consecutively for at least six (6) years as the Director of the Regional Agricultural Company.

The duration of the extended leave/long break is set at two (2) months, to be taken in the seventh and eighth years, one (1) month each. During the seventh and eighth years, the director is not entitled to annual leave.

Letter c
Self-explanatory.

Letter d
Self-explanatory.

Letter e
Self-explanatory.

Letter f
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 31
Paragraph (1)
Self-explanatory.

Paragraph (2)
Letter a
Self-explanatory.

Letter b
The term "reorganization" refers to situations where the management and operational system of the regional company are deemed

unhealthy and unable to contribute to the region, necessitating reorganization to enable the company's growth.

Letter c
Self-explanatory.

Letter d
Self-explanatory.

Letter e
Self-explanatory.

Letter f
Self-explanatory.

Letter g
Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 32
Self-explanatory.

Article 33
Paragraph (1)
The Director is present at the meeting to be given the opportunity to defend themselves before the Supervisory Board.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 34
Paragraph (1)
The meaning of compliance with laws and regulations, as mandated in Article 27, Paragraph (2) and Article 28D, Paragraph (2) of the Amendment to the 1945 Constitution of the Republic of Indonesia, essentially affirms that the right to work, to receive fair remuneration, and to be treated justly in employment relationships is a fundamental human right.

This mandate is further enshrined in Law No. 13 of 2003 concerning labor, which positions workers as key contributors to national development, making their role and status vital.

Paragraph (2)
Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

The term "other matters" refers to

The plan to borrow from a third party, securing the Regional Agricultural Company as collateral, is intended to develop the Regional Agricultural Company.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Paragraph (1)

The term "profit" refers to the current year's profit after tax deductions, taking into account accumulated losses.

Letter a

Self-explanatory.

Letter b

The term "reserve fund" refers to a portion of the profit set aside for:

1. Strengthening capital;
2. Provision for the write-off of productive assets; and
3. Covering losses of the Regional Company.

Letter c

The term "production services" refers to a portion of the profit allocated to the management and employees of the Regional Agricultural Company as a reward for their productivity.

Letter d

The term "purpose reserve fund" refers to a portion of the profit allocated for assistance to employees affected by calamities, employee education, and employee rewards.

Letter e

The term "social fund" refers to a portion of the profit allocated for social purposes.

Paragraph (2)

Self-explanatory.

Article 40
Self-explanatory.

Article 41
Paragraph (1)
Self-explanatory.

Paragraph (2)
The term "liquidator" refers to an individual or entity assigned to assess the assets and liabilities of the company.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 42
Self-explanatory.

Article 43
Self-explanatory.

ADDITIONAL LOCAL GOVERNMENT GAZETTE OF SUKOHARJO
REGENCY
NUMBER 204

ORGANIZATIONAL CHART OF THE REGIONAL AGRICULTURAL
COMPANY OF SUKOHARJO REGENCY
REGENT OF SUKOHARJO,
[signature]
WARDOYO WIJAYA

ANNEX
REGIONAL REGULATION OF SUKOHARJO REGENCY
NUMBER 2 OF 2013
ON
REGIONAL AGRICULTURAL COMPANY OF SUKOHARJO REGENCY

REGENT
DIRECTOR
SUPERVISORY BOARD

Certified true copy
HEAD OF THE LEGAL DEPARTMENT,
TEGUH PRAMONO, SH, MH
Mentor
NIP. 19710429 199803 1 003

