

Client Alert

March 2020

Conducting Shareholders Meetings for Public Companies in Light of COVID-19

Recent Developments

On the day the Indonesian government declared the COVID-19 outbreak a "national disaster" under Law No. 24 of 2007 on Mitigation of Disasters (i.e., on 6 March), it released various protocols in an attempt to manage the spread of COVID-19 in Indonesia. The Presidential Staff Office and various related ministries introduced, among others things: [protocols for public areas and public transportation](#). Organizers of large scale activities are encouraged to implement those preventive measures.

What is the Impact on Public Companies' Large Gatherings?

Consistent with the recommendation under the protocols, companies when organizing events with a large number of participants (including general meetings of shareholders ("**GMS**")), are encouraged to take the following actions:

- Organizers should conduct preliminary body temperature screening. It is generally agreed that anything above 38°C indicates a fever, and therefore that should be the cut-off temperature to determine whether a person should be allowed in or not.
- If an unhealthy individual is found, he/she should not be permitted to attend the event and he/she should be recommended to immediately conduct a self-check at the health care facilities.
- Organizers should ensure that participants that appear to be 'unfit' and have been in a country with COVID-19 local transmission¹ in the last 14 days do not attend the event. This can be informed through a notification in the entry area and during registration.

Participants should also take certain preventive measures. For example:

- During the event, if participants are 'unfit', they should not continue with the event and should immediately conduct a self-check at health care facilities.
- Participants who in the previous 14 days have returned from countries with COVID-19 local transmission are encouraged not to attend the event or at least inform the organizer of the event. If during the event, they show signs of fever or have breathing difficulties, they must not continue participating in the event

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¹ Those countries can be seen in the following websites: <https://covid19.kemkes.go.id/> (as provided in the official protocol) or <https://infeksiemerging.kemkes.go.id/situasi-infeksi-emerging/info-corona-virus/situasi-terkini-perkembangan-coronavirus-disease-covid-19-2-maret-2020/#.XnDmekGzZPZ>.



and should immediately conduct a self-check at the health care facilities.

The above protocols should be followed on the day of the event. Nonetheless, there are no specific administrative sanctions for failure to do so, as this is only encouragement from the government.

Suggested Actions in Light of the Protocols

Notwithstanding the above protocols, until the date of this client alert, there is no clear guidance (such as a written policy/circular letter) from the Indonesian Financial Services Authority ("**OJK**") on how a GMS should be convened (or if a GMS could be postponed) during this COVID-19 crisis. On 16 March, OJK issued a letter to all capital market business actors indicating that all external activities that gather a number of people, including socialization and meetings, are not to be convened at the moment. But this does not specifically address the issue of GMS because despite the content of the OJK letter, all public companies still need to conduct a GMS at the latest six months after the end of their relevant financial year in accordance with their articles of association. However, we understand that OJK is now discussing this issue and may provide further guidance.

Until there is direction from OJK, public companies that are holding a GMS in the near future could consider the following practical approach:

- The GMS invitation (where some GMS rules (e.g., the rules on the shareholders that are allowed to attend or be represented) are usually stated) should set out the applicable policies in implementing the protocol, which include:
 - requirement for the people who will be attending to fill out a personal declaration form before attending the GMS, which should include information on:
 - whether the people who will be attending have been in any country with COVID-19 local transmission in the last 14 days
 - recent health history of the people who will be attending
 - examination procedures during the event (e.g., thermal check at the entrance gate) that will be implemented by public companies or the management of the building where the GMS will be held (as applicable)
 - the right and authority of public companies to not allow the relevant shareholders to participate in the event if their representatives are found to be 'unfit'
 - suggestion to the shareholders that they should arrange for proxies through a written power of attorney to ensure their voting rights can be exercised if a shareholder is unable to attend the meeting (i.e., due to travel restrictions) or is likely to be denied entry (i.e., he/she is 'unfit')
- Public companies that already issued GMS invitations may announce the above information on their company websites prior to the GMS. This



information does not constitute a revision to the GMS invitations, and so will not change the current GMS timetable.

- For public companies that have not issued GMS invitations, the following can be considered:
 - delaying the GMS (for a reasonable period of time, say, two or three weeks), and see if OJK comes up with further guidance
 - exploring (especially from an IT perspective) the possibility of conducting a GMS by way of video conference - *while this may not be common, this may be worth exploring in anticipation of OJK deciding to allow GMS to be held via video conference (instead of actual meetings)*

What's Next?

- As the above suggestion is not a formal policy from OJK, when implementing the above, please always discuss with your relevant legal counsel, notary and Share Registrar.
- Given the rapid development, public companies should monitor this issue on a day-to-day basis.

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