

**NATIONAL
ASSEMBLY****THE SOCIALIST REPUBLIC OF
VIETNAM**

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Independence-Freedom-Happiness

NATIONAL ASSEMBLY OF THE SOCIALIST REPUBLIC OF VIETNAM**Legislature XI, 8th Session****(From October 18th, 2005 to November 29th, 2005)****LAW ON ENTERPRISES**

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam amended and supplemented by the Resolution 51/2001/QH10 dated December 25th, 2001 of the Session 10 of the National Assembly Legislature X.

This Law provides for provisions on enterprises.

CHAPTER I : GENERAL PROVISIONS**Article 1. Scope of application**

This Law sets forth provisions on the establishment, organization of management, and operations of limited liability companies, share-holding companies, partnerships, and private enterprises of all economic sectors (hereinafter referred to as enterprises); provisions on company groups.

Article 2. Subjects of Application

1. Enterprises of all economic sectors;
2. Organizations and individuals related to the establishment, management and operation of enterprises.

Article 3. Application of the Law on Enterprises, International treaties and related Laws

1. The provisions hereof, and other relevant legal provisions, shall be applied to the establishment, organization of management, and operations of enterprises of all economic sectors.
2. In case where the specialized law provides different provisions with the provisions of This Law on the same issue, the provisions of the specialized law shall prevail.
3. “*Valid file*” means a file that comprises of all documents as required by this Law, whose contents shall be declared fully in compliance with the stipulations of law.
3. In case where the international treaties, of which Vietnam is a member , provides provisions different with the provisions of this Law on the same issue, the provisions of the international treaties shall be applied.

Article 4. Interpretation of terms

The following terms as used in this Law shall have the respective meanings ascribed to them hereunder:

1. “*Enterprise*” means an economic organization that has its own name, assets, stable transactional office and that is registered in compliance with the stipulations of law for the purpose of conducting business activities.
2. “*Business*” means the continuous implementation, of one, several or all stages of an investment process, from the production to the sale of products or provision of services in the market for the purpose of making profit.
4. “*Making capital contribution*” means the act of contributing assets into a company for being the owner or one of the co-owners of the company. Assets for capital contribution can be Vietnamese Dong; freely convertible foreign currency; gold; value of land use rights; value of intellectual property rights, technology and technical know-how; and other types of assets as stated in the Charter of the company contributed by members thereof for creation of the capital of the company.
5. “*Proportion of capital contribution*” means the share of equity that the owner or co-owners of the company has contributed to the charter capital.
6. “*Charter capital*” means the amount of capital that is contributed or committed within a specific period by all members and is recorded in the Charter of the company.
7. “*Legal capital*” means the minimum level of capital as stipulated by law to form an enterprise.
8. “*Voting capital*” means the proportion of capital contribution whose owners shall have the right to vote in matters that are under the decision making authority of the Members’ Council or the Shareholders’ General Meeting.
9. “*Dividend*” means the amount of the net profit to distribute to each share by cash or other assets from the company’s remaining profit after financial obligations have been completed.
10. “*Founding member*” means a person who contributes capital, and participates in developing, approving and signing the first Charter of a limited liability company; a partnership. .
11. “*Shareholder*” means an owner of at least one share issued by a joint stock company.
“*Founding shareholder*” means a shareholder who participates in developing, approving and signing the first Charter of a joint stock company.
12. “*Partner*” means a member who shall be responsible for all liabilities of a partnership with all his/her own entire property.
13. “*Manager of the enterprise*” means an owner, a director of the private enterprise; a partner of a partnership; Chairman of the Members’ Council, Chairman of the company, a member of the Board of Management, (General) Director, or the holders of other important managerial titles stipulated in company’s Charter.

14. “*Authorized Representative*” mean an individual authorized in writing by the members of limited liability or share-holding companies, to exercise the respective rights in the companies according to the regulations of this Law.

15. A company shall be considered as the parent company of another company in one of the following cases:

- a) Owning more than 50% of the charter capital or total common shareholding issued by that company;
- b) Having the right to directly or indirectly appoint the majority or all members of the Board of Directors, Director or General Director of that Company;
- c) Having the right in the determination to amend and supplement the Charter of that company.

16. “*Reorganization of an enterprise*” means any of the division, separation, consolidation, merger, or conversion of the enterprise.

17. “*Related person*” means an organization or individual who has direct or indirect relationships with the enterprise as provided hereunder:

- a) A parent company, managers of the parent company, and those who have the competency to appoint the managers, if the company is a subsidiary;
- b) Subsidiary, if the enterprise is the parent company;
- c) Individuals or a group of individuals with capabilities of control over decisions and/or operations of such enterprise via management bodies therein;
- d) Enterprise managers;
- đ) Wife, husband, father, foster father, mother, foster mother, child, adopted child, sibling of a manager, or a member or shareholder who holds controlling proportion of capital contribution or share; e. Any individual who is authorized to represent those prescribed at a), b), c), d) and đ) of this clause;
- g) Any enterprise in which the persons prescribed at (a) to (h) of this clause hold shares to the level that they can control the decision-making process of the management bodies of the enterprise;
- h) Any group of persons who act together in an attempt to take over the capital contribution, shares or interests of the company to control the decision making process of the company

18. “*State-owned capital contribution*” means the capital contribution invested by State budget and other State sources of fund of which the owner is a State agency or economic organization acting as the ownership representative;

State-owned shares mean shares purchased by the State budget and other state sources of fund of which the owner is a state agency or economic organization acting as the ownership representative.

19. “*The market price of the capital contribution or shares*” means the transaction price of that capital contribution or shares on the securities market or a price defined by a professional price evaluation organization.

20. “*The nationality of an enterprise*” means a country or territory where the enterprise is established and/or registered.

21. “*Residence address*” is the registered address of the head office of the organization, the residence registered address of or address of the working place or any other address of an individual, which he/she registers with the enterprise to be a contacting address;

22. “*State-owned enterprise*” means an enterprise in whichover 50% of charter capital of which is owned by the State.

Article 5. Assurance by the State with respect to enterprise and enterprise owner

1. The State recognizes the long lasting existence and development of types of enterprises as provided in this Law, ensures the equality of enterprises before law, regardless of ownership and economic sectors and realises the lawful profitability of business activities.

2. The State recognises and protects ownership rights, investment capitals, incomes, rights and other lawful rights and interests of enterprises and of enterprise owners.

3. The lawful property and investment capital of enterprises and enterprise owners shall not be nationalised or confiscated by administrative method.

In cases of absolute necessity due to reasons of national defense, security, or the national interest, a compulsory purchase of requisition on an enterprise asset can be made by the State; enterprise shall be paid or compensated in accordance with the market price at the time of such compulsory purchase or requisition. Such payment or compensation must ensure the interest of enterprises and non-discrimination amongst types of enterprises

Article 6. Political and social-political organisations in enterprises

1. The political and socio-political organisations in the enterprises shall function in compliance with the Constitution, law and the Charters of those organizations that are in compliance with the stipulations of law.

2. Enterprises shall have obligations to respect, facilitate the employees to establish and participate in organizations as stipulated in clause 1 of this Article.

Article 7. Business Lines and business conditions

1. An enterprise regardless of its economic sectors, is entitled to have its discretion to conduct business in all industries that are not prohibited by law.

2. Business lines subject to conditions as stipulated by law on investment and other related laws, enterprises shall be entitled to conduct those business lines only when they meet such conditions.

Business conditions are required to be met or implemented by enterprises when they conduct particular business lines, presented by business licences, certificates of sufficiency of business conditions, practice certificates, certificates of professional responsibility insurance, requirements of legal capital and other requirements.

3. Business activities that cause harmful effects to national defense, security, public order and safety, historical traditions, culture, ethics, good morals and good customs of Vietnam and the health of the people are prohibited.

A specific list of prohibited business activities shall be determined by the Government.

4. The Government shall periodically make on reviewing, reevaluating the whole or a part of business conditions; repealing or petitioning to repeal unsuitable conditions; amending or petitioning to amend unreasonable conditions; promulgating or petitioning to promulgate new business conditions in accordance with the requirements of State management.

5. Ministries, Ministerial level agencies, People's Councils and People's Committees at all levels shall not make stipulations on conditional business lines and business conditions.

Article 8. Rights of enterprises

1. Conduct business at its own initiative; select, by its own initiative, industry(ies), localities, and types of business and investment; take initiative in expanding its business size and diversifying its industries; be encouraged and facilitated by the State to manufacture and supply public products and services;

2. Select the form and method to mobilize, allocate and utilize capital;

3. Take initiative in the search for markets, customers, and in signing contracts;

4. Conduct import and export activities;

5. Recruit, employ, and use labors to meet the need of the business.

6. Take initiative in applying modern and scientific management methods to enhance its effectiveness and competitiveness;

7. Have the autonomy in deciding business, resolving internal affairs;

8. Possess, utilise, and dispose of its assets;

9. Deny any request to supply resources that are not required by law;

10. Lodge complaints, denunciation in accordance with the law on complaint and denunciation.

11. Directly or represented by the authorised person to participate in legal proceedings in accordance with the stipulations of law;

12. Other rights in accordance with the stipulations of law.

Article 9. Obligations of enterprises

1. Conduct businesses in compliance with registered industry(ies) as stated in the Certificate of business registration; ensure business conditions as stipulated by law with respect to conditional industries;

2. Set up accounting books, make and submit true, accurate and timely financial reports in accordance with law on statistics - accounting;

3. Tax registration, tax declaration, tax payment and realization of other financial obligations in compliance with law;

4. Ensure the rights and interests of employees in compliance with provisions of law on employment; pay in full amount social insurance, health insurance and other insurances for employees in accordance with the law on insurance;
5. Ensure and be responsible for quality of goods and services in accordance with registered or publicized standards;
6. Implement statistic procedures as stipulated by law on statistic; periodically report under the stipulated forms to the State competent body of full and accurate information about the enterprise and its financial situation; promptly amending any declared or reported information which is found incorrect, insufficient;
7. Observe regulations of law on national defense, security, public order and safety, protection of natural resources and environment, and protection of historical, cultural places, famous spots;
8. Other obligations as stipulated by law.

Article 10. Rights and obligations of enterprises providing public products, services

1. The rights and obligations as provided in [Article 8](#), [Article 9](#) and other provisions relating to this Law;
2. Conduct the accounting and be entitled to cost recovery at the tender implementation price, or collect service fees in compliance with provisions of the state competent body;
3. Be given sufficient time for production and supply of products and services on tender basis to recall investment capital and gain appropriate profit;
4. Produce, supply products and services with sufficient quantities, correct quality and in timely manner as agreed at the price or fee rate stipulated by the state competent agency;
5. Ensure fair and favourable conditions to all clients;
6. Be responsible before law and customers for quantity, quality, terms and prices, fees of supplied products and services;
7. Other rights and obligations according to the stipulations of law.

Article 11. Prohibited activities

1. Issue the business registration certificate to the person not meeting conditions or refuse to issue the business registration certificate to person who meets conditions in accordance with this Law; causing delay, troublesome, preventing, extorting the person who require business registration and business activities of enterprise.
2. Carry out business in the form of enterprise without registering or continuing to do business when the business registration certificate being withdrawn.
3. Declare inaccurately and dishonestly the contents of the business registration application dossier; inaccurately, dishonestly, and not promptly declare the changes in the contents of the business registration application dossier of the enterprise.
4. Fraudulently declare the registered capital, not contribute the capital in full and in time as registered and intentionally evaluate the contributed assets higher than the real value.

5. Illegally operating or defrauding; conducting prohibited industries, lines.
6. Conduct business without satisfying the business conditions in accordance with law.
7. Preventing the owner, member, shareholder in exercising their rights in accordance with this Law and the company's Charter.
8. Other prohibited activities in accordance with law.

Article 12. Documents filing system of the enterprise

1. Depending on the type of enterprise, the enterprise has to keep and maintain the following documents:

- a) Charter of the company; the amendment and modification of the Charter of the company; internal regulations on management of the company; member registration book or shareholder registration book;
- b) Business registration certificate; protection document/evidence of industrial property rights; product quality registration certificate; other licenses and certificates;
- c) Documents and papers certifying the assets' ownership of the company;
- d) Minutes of the Board of members, the Board of shareholder, the Board of Management (directors); decisions of the enterprise;
- đ) Prospectus for stock issuance;
- e) Reports of the Control Board, conclusion of inspection agency, conclusion of independent auditing firms;
- g) Annual accounting book, accounting documents, financial reports;
- h) Other documents as stipulated by the laws.

2. Enterprise shall have to maintain documents as stipulated in clause 1 of this Article at its head office; the duration of maintenance shall be in accordance with the laws.

CHAPTER II: ENTERPRISE ESTABLISHMENT AND BUSINESS REGISTRATION

Article 13. The right for establishment, capital contribution, share purchase and management of enterprise

1. All organizations and individuals of Vietnam and foreign organizations and individuals have the right to establish and manage enterprises in Vietnam according to the regulations of this Law, except the cases provided in clause 2 of this Article.
2. The following organizations and individuals are not entitled to establish and manage enterprises in Vietnam:
 - a) State bodies and units of the people's armed force of Vietnam using State assets to establish profit-making enterprises for their own interests.

- b) Cadres, civil servants of Vietnam in conformity with provisions of law on cadres, civil servants;
- c) Officers, non-commissioned officers, professional army members, military workers at bodies, units of the Vietnamese people's army; officers, professional non-commissioned officers at bodies, units of the Vietnamese people's police;
- d) Cadres who hold leadership and/or professional management positions in 100% State-owned enterprises, except those nominated as representatives to manage capital contribution of the State in other enterprise(s);
- đ) Minors; adults who have lost or restricted capacity for civil acts;
- e) Persons who are imprisonment or whose rights to do business are denied by the Court.
- g) Other cases according to provisions of law on bankruptcy.

3. Organizations, individuals shall have rights to purchase shares of shareholding companies and make capital contribution into limited-liabilities companies and partnerships in accordance with this Law, except for the cases stipulated in clause 4 of this Article.

4. The following organizations, individuals are not entitled to purchase shares of shareholding companies and make capital contribution to limited liability companies partnership companies according to the provisions of this Law:

- a) State bodies, units of the Vietnamese people's army use the State assets to contribute into enterprises in order to collect profit for its body, unit;
- b) Subjects not having right to contribute capital into enterprises as stipulated by law and regulations on public servants and officials

Article 14. Contracts signed prior to business registration

1. All contracts that serve the establishment and operation of an enterprise may be signed by founding members; shareholders or by the authorised representative of the group of founding members.
2. Where the enterprise is later established, the enterprise shall be the person receiving rights and obligations resulted from the signed contract as provided in clause 1 of this Article.
3. Where the enterprise fails to be established, the person who has signed such contract as provided in clause 1 of this Article shall, by him/herself or jointly, be liable at his/her assets for the performance of such contract.

Article 15. Procedures to register business

1. A business person determining to establish an enterprise shall submit a complete file as stipulated by this Law to the competent Business registration bodies are responsible for accuracy and truthfulness of contents of the application file.
2. Business registration bodies are responsible for reviewing applications file for business registration and issuing business registration certificates within 15 working days from the date of receipt of file for business registration; if refusing to grant a business registration certificate, the Business registration bodies shall notify the applicant in writing. The

notification clearly states the reasons, and requirements for necessary revision and/or supplementation.

3. The Business registration bodies shall be liable for the properness of the file for business registration. The Business registration bodies are not entitled to require from the applicant any documents and papers other than those specified for each type of enterprise by this Law.

4. The duration for the issuance of the business registration Certificate shall attach to specific investment project as stipulated by the Laws on investment.

Article 16. Business registration file for private enterprises

1. Business registration application under a form stipulated by registration agencies.
2. Copies of Identification card, Passport or other legal personal certifications.
3. Written confirmation of legal capital by an authorized body or organization with respect to enterprises conducting business that requires legal capital by law;
4. Professional certificates of directors and other individuals for enterprises or business industries which require practicing licenses according to provisions of law.

Article 17. Business registration file for a partnership

1. Business registration application under a form stipulated by business registration agency.
2. The draft Charter of the Company.
3. List of partners, copies of the Identification cards or Passports or other legal personal certifications;
4. Writing confirmation of legal capital by an authorized body or organization with respect to partnerships conducting business in industries which require legal capital;
5. Practicing licenses of partnership members and other individuals for partnerships conducting businesses in industries that need the practicing license according to provisions of law.

Article 18. Business registration file for limited liabilities companies

1. Application for business registration under a form stipulated by the business registration agency.
2. The draft Charter of the Company.
3. List of members, attached with the following documents:
 - a) With respect to members who are individuals: a copy of the identification card or passport or other legal personal certifications;
 - b) With respect to members who are organizations: copies of the establishment decision, business registration certificate or other relevant documents, charter or other equivalent documents, power of attorney, identification card or passport or other legal individual certifications of the authorized party.

With respect to members who are foreign organizations, a copy of certificate of the business registration should be certified by the agency with which the organization have registered within three (3) months prior to business registration application.

4. Written confirmation of legal capital by an authorized body or organization for limited liability companies conducting business in industries which require legal capital as stipulated by the laws.
5. Practicing licenses of Directors or General Directors and other individuals for companies conducting business in industries which require the operation practicing license as stipulated by the laws.

Article 19. Business registration file for shareholding companies.

1. Application for business registration under the form as stipulated by authorized business registration bodies.
2. Draft of the company's Charter.
3. List of founding shareholders and the following attached documents:
 - a) With respect of the shareholders who are individuals: A copy of the identification card or passport or other legal personal certification;
 - b) With respect of the shareholders who are organizations: A copy of the establishment decision, business registration certificate or other equivalent documents of the organization; power of attorney, identification card or passport or other legal personal certification of the authorized representative. With respect of the shareholders who are foreigners, a copy of the business registration certificate must be certified within 3 months prior to business registration application by the agency with which that organization registered before filing the application for business registration.
4. Written confirmation of legal capital by an authorized body or organization for shareholding companies conducting business in industries that require legal capital as stipulated by the laws.
5. Practicing licenses of Directors or General Directors and other individuals for shareholding companies to be conduct business in industries, that need the practicing license as stipulated by the laws.

Article 20. Application files, formalities, procedures, conditions and contents for business, investment registration by foreign investors making the first investment into Vietnam

Application file, formalities, procedures, conditions and contents for business, investment registration of foreign investors making the first investment into Vietnam shall be in accordance with the provisions of this Law and the laws on investment. Investment licenses or Investment registration certificates should at the same time serve as the Business registration certificates.

Article 21. Contents of an application for business registration

1. Name of the enterprise.

2. Address of the head office of the enterprise, telephone number, fax number, email address (if any);
3. Business industry(ies) of the enterprises;
4. Charter capital with respect to company; initial investment capital of the enterprise owner with respect to private enterprise;
5. Proportion of capital contribution of each member with respect to limited liability company and partnership; the number of shares held by the founding shareholders, types of issued shares, par value of shares, and the aggregated number of shares to be issued under each type with respect to shareholding company;
6. Full name, signature, permanent address, nationality, Identification card number, Passport number or other individual personal certifications of the enterprise owner with respect to private enterprise; of the company owners or of their authorized representative with respect to single member limited liability company, of the members or their authorised representatives with respect to limited liability company with more than one members , of all founding shareholders or their authorised representatives of the shareholding companies, of all general partners with respect to partnerships.

Article 22. Contents of a company's Charter

1. The company's name, address of head office, branch(es) and/or representative office(s);
2. Industry(ies) of business;
3. Charter capital; method of increasing and decreasing charter capital;
4. Full name, permanent address, nationality and other basic characteristics of all general partners with respect to partnerships of the company's owners, members with respect to limited liability companies, of the owner with respect to limited liability companies, of the founding members with respect to shareholding companies;
5. Proportion of capital contribution and value of such proportion made by each member with respect to limited liability companies and partnerships; the number of shares to be held by the founding shareholders, types of issued shares, par value of shares and the aggregated number of shares to be issued under each type with respect to shareholding companies;
6. Rights and obligations of members in limited liability companies and partnerships; and of shareholders in shareholding companies;
7. Organizational and management structure;
8. The legal representative of limited liability companies and shareholding companies;
9. Formalities for approval of resolutions of the company; Principles applied in the settlement of internal disputes;
10. Basis and methods to determine wages, salary and bonus for managers, managers and members of the Supervision board or Supervisor.

11. Circumstances when a member may request the company to buy back his/her proportion of capital contribution with respect to limited liability companies or shares with respect to shareholding companies;
12. Principles for distribution of after-tax profit contribution and resolution of loss occurred in the course of business;
13. Cases of dissolution, procedures of dissolution and liquidation formalities for the company's assets;
14. Procedures for amendment and supplementation of the company's Charter.
- 15 Full name, signatures of all general partners of partnerships with respect to partnerships; of the legal representative, of the company owner, of all members or their authorised representatives with respect to limited liability companies; of all founding shareholders, of their authorised representatives with respect to shareholding companies;
16. Other contents as agreed upon by members or shareholders without being in contradiction with the laws.

Article 23. Member list of limited liability companies, partnerships; founding shareholders list of shareholding companies

The members list of limited liability companies, partnerships, and the founding shareholders list of shareholding companies shall include the following principal contents:

1. Full name, address, nationality, permanent residential address and other basic characteristics of members of limited liability companies and partnership; of founding shareholders of shareholding companies;
2. Proportion of capital contribution, value of such capital contribution, type, quantity, and value of each asset used for the purpose of capital contribution and duration to make such contribution of each member in case of limited liability companies and partnerships; the number, types of shares, type, quantity, and value of each asset used for the purpose of share purchase, of each founding shareholder for shareholding companies;
3. Full name, signature of the legal representative or of every member, or of founding shareholders or of their authorized representatives in case of limited liability companies and shareholding companies, or of all general partners in case of partnerships.

Article 24. Conditions for issuance of business registration certificate

An enterprise shall be eligible for a business registration certificate if it meets the following conditions:

1. Business industry(ies) is (are) not subject to prohibition;
2. The enterprise is named in compliance with the stipulations as provided in [Articles 31](#), [32](#), [33](#) and [34](#) of this Law;
3. Having its head office as stipulated in clause 1 of [Article 35](#) of this Law;
4. Its eligible application file for business registration as provided by laws;
5. Fee of business registration is fully paid in accordance with the stipulations of law.

Business registration fees are determined based on the number of industries to be registered; fee levels are stipulated by the Government;

Article 25. Contents of the Business registration certificate

1. Name of the enterprise, address of head office, branch(es) and/or representative office(s);
2. Full name, personal residential address, nationality, ID, passport number or other individual certification number of the legal representative of the enterprise;
3. Name, permanent residential address, nationality, ID number, passport number or other individual certification numbers of members, or founder shareholders, who are individuals, establishment decision number or registration numbers of company owners, members, founding shareholders, which are organization with respect to limited liability companies and shareholding companies; full name, permanent address, nationality, ID, passport or other legal personal certification numbers of general partners with respect to partnerships; full name, permanent residential address, nationality, ID, passport or other legal personal certification numbers of the company owners who are individuals or owners of private enterprises.
4. Charter capital with respect to limited liability companies and partnerships; number of paid in shares and their value, and total authorised share capital of shareholding companies;, initial investment capital with respect to private enterprises; the legal capital in respect to enterprises carrying out business subject to legal capital requirement;
5. Industry(ies);

Article 26. Alterations in contents with respect to business registration certificate

1. Where an alteration is made with respect to the name, address of head office, of branch(es) or representative office(s), the objective and business industry, the amount of charter capital, authorised share capital, and investment capital of the owner, a change in the legal representative in accordance with law on enterprises, and other contents in the file for business registration of an enterprise, such enterprise must register with the Business registration body within ten (10) working days from the date the decision on alteration is made.
2. Where an alteration in contents of the certificate of business registration is made, the enterprise shall be reissued a new certificate of business registration.
3. In the case that the Business Registration Certificate is lost, torn, fired or destroyed under other forms, enterprises will be reissued the business registration certificate and shall pay fees for business registration body.

Article 27. Notification of information on the contents of business registration

1. Within seven (7) working days from the issuing date of business registration certificate, or certificate of changes in business registration, the Business registration body shall forward duplicates thereof to the tax authority, statistics agency, to other authorized State bodies of the same level, and to People's Committees of districts, towns, provincially-governed cities and People's committees of communes, wards, townlets where the head office of the enterprise is located.

2. Any organisation or individual shall have the right to request the Business registration body to provide information with regard to contents of business registration, duplicates of the Certificate of business registration and of the certificate of changes in business registration, and extracts of the contents of business registration and shall make full payment of a given fee in compliance with the provisions of laws.

3. The Business registration body is obliged to provide in full and in time information with regard to contents of the business registration upon the request of organizations or individuals provided in clause 2 of this Article.

Article 28. Announcement of the contents of business registration

1. An enterprise shall, within 30 days from the date of being granted the business registration, publish on business website of business registration agency or in one of either written newspaper or electronic newspaper the following principal contents in three consecutive issues:

a) Name of the enterprise;

b) Address of its head office, branch(es) or representative office(s);

c) Business industry(ies);

d) The charter capital with respect to limited liability companies and partnerships; the number of paid in shares and their value, and the number of authorised shares of shareholding companies; amount of initial investment capital to private enterprises; legal capital to enterprises doing business that require legal capital;

đ) Name, address, nationality, ID, passport or other legal individual certification numbers or the number of the decision of establishment or of the registration of the owner, of members or all founding shareholders;

e) Full name, permanent residential address, nationality, ID, passport or other legal individual certification numbers of the legal representative of the enterprise;

g) Place of business registration.

2. Where a change is made to contents of the business registration, the enterprise shall notify such changes within the time limit and the method stipulated in clause 1 of this Article.

Article 29. Transfer of property ownership

1. Members of limited liability companies and of partnerships, and shareholders of shareholding companies, are subject to the transfer of ownership in compliance with the following provisions:

a) As to assets whose ownership has been registered or for the value of land-use rights, contributors shall process the transfer of their ownership right of such assets or land-use rights to the company at a State competent agency.

The transfer of assets used for capital contribution shall be exempted from registration fees;

b) As to unregistered assets, the contribution of capital shall be effected by delivering and receiving of such assets with a written minute.

The minute shall clearly record the name and address of the company's head office; full name, permanent residential address, ID, passport or other legal individual certification numbers, the number of the establishment decision or of registration of the contributor; type(s) and unit quantities of contributed assets; total value of contributed assets and the proportion taken thereby in the amount of the company's charter capital; delivery date; signatures of the contributors or their authorized representatives and the legal representative of the company;

c) Shares or assets used for capital contribution, which are other than Vietnam Dong, or freely convertible foreign currency, or gold, shall be deemed as completely contributed only after the lawful ownership of such assets has been transferred to the company.

2. Assets utilised in business operations of a private enterprise are not subject to ownership transfer procedures for enterprises.

Article 30. Appraisal of assets used for capital contribution

1. Assets used for capital contribution upon the establishment of the enterprise other than Vietnam Dong, or freely convertible foreign currency, or gold shall be appraised by either members, founding shareholders or a professional pricing organization.

2. The assets used for capital contribution upon the establishment of the enterprise must be valued by founding members, shareholders under unanimous principles. If the value of capital contribution is appraised higher than their actual value at the time of making capital contribution, the founding members, share holders shall jointly assume their liability with respect to the company's debts and other assets obligations by the difference between the former valued assets and the actual value of the contributed assets at the closing time of the price evaluation process.

3. Assets used for capital contribution in the course of business, which to be valued either as agreed upon between the enterprise and the contributors or by a professional pricing organization. In case if of being valued by a professional pricing organization, the value of the contributed assets should be accepted by both contributors and enterprise; if the contributed assets are evaluated higher than their actual value at the time of making capital contribution, the contributors or the pricing organization and the legal representative of the enterprise shall be jointly liable for any liabilities or other assets obligations of the company by the amount which shall be equal to the difference between the appraised value of the real value of the assets used for capital contribution at the closing time of the price evaluation process.

Article 31. Name of enterprises

1. Name of an enterprise must be written in Vietnamese language, and may be attached with the numbers and signs, must be pronounceable and shall have at least the following two elements:

a) Type of enterprise;

b) Its own name.

2. Name of the enterprise must be written or put on at its head office, branches, representative offices. Name of the enterprise must be printed or written on all of its transaction papers, documents, dossiers and publications.

3. Pursuant to the stipulations of this Article and Articles 32, 33 and 34 of this Law, the business registration body shall have right to deny the proposed name of the enterprise. The decision of the business registration body shall be final.

Article 32. Prohibitions in naming an enterprise

1. Coinciding or causing confusion with the name previously registered by another enterprise;

2. Using the name of state agencies, people's armed force, political organizations, socio-political organizations, social-professional organizations, social organizations, social-professional organizations to be entire or part of the name of an enterprise except there is the acceptance of the formers.

3. Using words, signals violating the historical and cultural traditions, good morals and good customs of the nation;

Article 33. Name of the enterprise written in foreign languages and abbreviation name of the enterprise

1. The name of an enterprise written in a foreign language is translated from Vietnamese into a foreign language. When making the translation into a foreign language, the name of an enterprise can be kept originally or translated according its meaning into a foreign language.

2. The foreign language name of an enterprise shall be printed or written in letters of smaller size compared with Vietnamese name at its office base and on all of its transaction papers, documents, dossiers and publications.

3. The abbreviation name of an enterprise shall be abbreviated from its Vietnamese name or its foreign language.

Article 34. Coinciding and confusing names

1. Coinciding name happens when an enterprise wants to register a name, which is read and written in Vietnamese completely the same as the name previously registered by another enterprise.

2. The following cases are considered as causing confusion with the name of another enterprise:

a) The Vietnamese name of an enterprise to be requested for registration is read as the same the name previously registered by another enterprise;

b) The Vietnamese name of an enterprise to be requested for registration is different from the name previously registered by another enterprise by sign "&";

c) The abbreviated name requested for registration by an enterprise is the same as the abbreviated name previously registered by another enterprise

d) The foreign name of an enterprise requested for registration is the same as the foreign name previously registered by another enterprise.

đ) The name of an enterprise requested for registration is different from the name previously registered by another enterprise by cardinal numbers, ordinal number, and Vietnamese letters right next to the name of the enterprise except the case when the former is the subsidiary of the latter.

e) The name of an enterprise requested for registration is different from the name previously registered by another enterprise by the word "tan" (in Chinese-Vietnamese language means new) right before or "moi" (new) after the name previously registered by another enterprise.

g) The name of an enterprise requested for registration is different from the name previously registered by another enterprise only by words "the north", "the south", "the central", "the west", "the east" or words having similar meaning; except the former is the subsidiary of the latter.

Article 35. Head office of an enterprise

1. The head office of an enterprise shall be a communication and transaction place of the enterprise and must be in the territory of Vietnam; and have a specific address including the address number, name of street (or alley of a street), commune, ward, townlet, district, town, centrally governed city, telephone and fax numbers, and email address (if any).

2. The enterprise has to inform the working hours of its head office to the business registration body within 15 days from the date of being granted its certificate of business registration.

Article 36. The seal of an enterprise

1. An Enterprise shall have its own seal. The seal of an enterprise must be kept and maintained at its head office. The form and content of its seal, conditions for seal making and the use of the seal shall be implemented as stipulated by the Government.

2. The seal is a property of the enterprise. The legal representative of the enterprise must be responsible for the management of the seal using. In case of necessity, an enterprise may have the second seal with the approval from the seal issuing agency.

Article 37. Representative offices, branches, and business place of an enterprise

1. A representative office of an enterprise is an independent unit directly under the enterprise. It shall represent, as being authorized, interests of the enterprise and take actions to protect such interests. Organization and operations of an representative office shall be in conformity with the stipulations of law.

2. A branch, which is an independent unit directly under an enterprise, is established to exercise the entire or a part of functions of such enterprise, including acting as a representative office, as being authorized. Business activities and lines of a branch shall be in line with those of the enterprise.

3. Business place means the location actual activities of an enterprise implemented. The business location can be outside from the registered head office.

4. Branches, representative offices and business places of an enterprise must be named in the name of the enterprise, attached by corresponding additional information identifying such branches, representative offices and business locations.

5. An enterprise is entitled to establish its representative office(s) and/or branch(es) domestically and abroad. A enterprise may establish one or more than one representative office(s) and/or branch(es) in one locality by administrative geography . Procedures and formalities for establishment of branch(es) and/or representative office(s) shall be stipulated by the Government.

CHAPTER III: LIMITED LIABILITY COMPANY

PART I: LIMITED LIABILITY COMPANY WITH 2 OR MORE MEMBERS

Article 38. Limited liability companies with 2 or more members

1. A limited liability company means an enterprise in which:

- a) Members may be organisations and/or individuals; the number of members shall not exceed fifty (50);
- b) Members shall be responsible for their liabilities and other liabilities of the enterprise to the extent of their capital contribution proportion contributed to the enterprise;
- c) The transfer of capital contributed by members is subject to provisions in Articles 43, 44 and 45 of this Law;

2. A limited liability company shall hold its legal status since the issuing date of its Business registration certificate.

3. A limited liability company may not issue shares.

Article 39. Making capital contribution and issuing certificate of capital contribution

1. Members of a limited liability company are obliged to contribute in full and in time the assets as committed in the list of registered members. If one of any members wishes to change the type of assets, he/she registered to contribute, the change must be agreed by all other members and the enterprise must inform the registration office of the change in writing within seven (7) working days since the date of acceptance for the change.

The legal representative of the company shall have to report in writing the capital contribution progress as registered to the business registration body within fifteen (15) days from the date of the committed capital contribution and shall be personally liable for the company's damages and other individuals' damages resulted from such delay to report or inaccurate, inadequate, dishonest report.

2. Where a member fails to contribute in full and in time the assets as committed in each period, the amount of capital not yet contributed is deemed as debt of the member against the

company; that member shall be responsible for compensation of damages caused by the insufficient and not-in-time contribution of committed capital.

3. If after the final round for contribution, there is still remaining any member who has not contributed in full his/her committed capital, the uncontributed capital shall be resolved by one of the following methods:

- a) One or a number of members will be responsible for fully contributing the unpaid difference; or
- b) Call for any of other persons to contribute capital into the company; or
- c) The other members of the rest shall contribute the uncontributed difference according to their capital contribution proportions in the company's charter capital;

After the completion of capital contribution as provided in this clause, the member who does not contribute any amount as committed shall be no longer a member of the company; and the company should register the change of the content of business registration application in compliance with this Law 4. As of full payment of capital contribution is made, such member shall be issued a certificate of capital contribution by the company. Such certificate shall include the following principal contents:

- a) Name and address of head office of the company;
 - b) The number and the issuing date of such certificate of business registration;
 - c) the company's Charter capital;
 - d) Name, address, nationality, ID, passport and other legal individual certification numbers with respect to members who are individuals; name, permanent residential address, nationality, the numbers of establishment decision or registration numbers of the members who are organizations;
 - dd. The member's proportion of capital contribution and the contributed amount thereby;
 - e. The number and the issuing date of the capital contribution certificate;
 - g. Full name, signature of the legal representative of the company.
5. In case that the capital contribution certificate be lost, torn, burnt, or otherwise damaged, the member whose certificate is so lost, torn, burnt, or otherwise damaged is entitled to have a new certificate re-issued by the company.

Article 40. Register book of members

1. A company shall set up a register book of members as soon as the business registration is completed. Such book shall include the following principal contents:

- a) Name and address of the head office of the company;
- b) Full name, permanent residential address, nationality, Identification card, passport and other legal individual certification numbers with respect to members who are individuals; full name, permanent residential address, nationality, the number of establishment decision or business registration number with respect to members who are organizations;

- c) The contributed capital amount as of the time such contribution is made, and the proportion of contributed capital of each member; the date the capital contribution ; types of contributed assets and its quantity, and value of each type of assets used for capital contribution;
 - d) Signature of members who are individuals or the legal representative of members who are organizations;
 - đ) The number and the issuing date of the certificate of capital contribution of every member.
2. The Register book of members shall be kept and maintained at the head office of the company.

Article 41. Rights of members

1. Any member of a limited liability company with two or more members is entitled to:
- a) Participate into meetings of the Members' Council, participate in discussing, proposing and voting on matters within the delegation of the Members' Council;
 - b) Possess the number of votes pro rata to his/her proportion of capital contribution;
 - c) Check, review and study, copy or extract the Register book of members, transaction recording and monitoring books, accounting books, annual financial statements, minutes of the meeting of the Members' council, other papers and documents of the company;
 - d) Be entitled to be distributed for remaining after-tax profits as provided by laws pro rata to his/her proportion of capital contribution to the company;
 - đ) Be entitled to share the remaining assets of the company corresponding to his/her capital contribution proportion upon its dissolution or bankruptcy;
 - e) To be taken in priority list in contributing additional capital to the company if the company increases its charter capital; and in transferring a part or entire his/her proportion of capital contribution as provided in this Law;
 - g) To lodge complaints or initiate a proceeding against the Director or General Director of the company upon his/her failure of complying with his/her obligations that cause losses and/or damages to interests of such member or interests of the company as stipulated by the laws.
 - h) To have the right to determine the capital contributed by transferring, inheriting, giving and whatsoever to others as the provisions of laws and the company's Charter.
 - i) Other rights as provided in this Law, and the company's Charter.
2. A member or group of members holding more than 25% of the charter capital or a smaller ratio as provided in the company's Charter, except for the case stated in clause 3 of this Article, shall be entitled to request to hold a meeting of the Members' Council to solve matters within its power;
3. In the case any member of the company holding more than 75% of the charter capital and the company's Charter does not stipulate any smaller ratio as stipulated in clause 2 of this

Article, all remaining members if cooperate altogether shall, as a matter of course, have the right as stipulated in clause 2 of this Article.

Article 42. Obligations of members

1. Contribute in full and in time the committed capital and be liable for debts and other obligations of the company to the extent of the committed capital contribution; cannot withdraw capital from the company in any forms except as stipulated in provisions in Articles 43, 44, 45 and 60 of this Law;
2. Observe the company's Charter;
3. Follow all the resolutions made by the Members' Council;
4. Fulfill other obligations as provided in this Law and in the company's Charter.
5. Be personally responsible when he/she carry out the following acts under the name of the enterprise:
 - a) Violate the laws;
 - b) Conduct business and other transactions not for the benefit purpose of the company and causing damages to other people;
 - c) Pay debts which are not yet come to maturity in the situation that the company is in the possibility of financial dangers..

Article 43. Buy-back of capital contribution

1. A member of a limited liability company shall be entitled to request in writing such company to buy back his/her capital contribution where such member votes against or protests resolutions of the Members' Council on one or more of the following issues:
 - a) Amendment and/or supplementation to contents of the company's Charter with respect to rights and obligations of members and of the Members' Council;
 - b) Reorganisation of the company;
 - c) Other matters as stipulated in the company's Charter.

The request of buy-back capital contribution shall be made in writing and submitted to the company within 15 days since the approval date of the issues as provided in item a, b, and c of this clause.

2. Upon request of a member as stipulated in clause 1 of this Article, where a price agreement fails to be made, the company shall, within 15 days from the date of such receipt, buy back the capital contribution of such member at market price or the price calculated following net asset, discounted cash flow or other methods as described in the company's Charter. Payment of buying back shall be made only if, after such payment, the company shall assure to discharge other due debts and other obligations.
3. If the company does not buy back the capital contribution as stipulated in clause 2 of this Article, the member can freely transfer his/her capital contribution in the company to other members or non members.

Article 44. Transfer of contributed capital

Except for the provisions of clause 6 of Article 45 of this Law, a member of a limited liability company with two or more members is entitled to transfer a part or the whole of his/her capital contribution to the other(s) in accordance with the following:

1. Such member shall offer his/her contributed capital with the same conditions, to all other members of the company pro rata to their capital contribution;
2. Such member shall offer his/her contributed capital to other non-members only if all remaining members refuse to buy or fail to undertake the entire offer within 30 days since the offering date.

Article 45. Settlement of capital contributions in other circumstances

1. Where an individual member of a limited liability company dies or is declared to be dead by the court, the heir to such member by law or according to the will or law, such member shall become a member of the company.
2. Where the capacity for civil acts of a person as member of a limited liability company is restricted or lost, the rights and obligations of such member in the company shall be exercised via his/her guardian.
3. The capital contribution of such member shall be bought back by the company, or transferred in accordance with provisions as stipulated in Article 43 and Article 44 of this Law in the following cases:
 - a) The heir does not want to become a member;
 - b) The person who is donated as provided in clause 5 of this Article shall not be accepted by the Council as a member;
 - c) Members who are organizations are dissolved or bankrupt.
4. Where there is a capital contribution of a member whose heir is not existent or declines to receive inheritance or is deprived his/her right of inheritance, such capital contribution shall be settled as in accordance with the laws.
5. A member has the rights to donate, give, present a part of or entire his/her capital contribution in the company to another person.

If a person who is donated, given or presented, is the one has the same blood line until the third generation, such person shall become a member of the company, as a matter of course; otherwise such person who is donated, given or presented can only become a member of the company if being accepted by the Members' Council.

6. In the case a member uses his/her capital contribution for paying debts, the payee has the right to use such capital contribution in one of the following ways:
 - a) Becoming a member of the company if being accepted by the Member's Council; or
 - b) Offering and transferring such capital in accordance with the stipulations as provided in [Article 44](#) of this Law.

Article 46. Organisation structure of management of limited liability companies

Organization structure of a limited liability company with 2 or more members has the Members' Council, the Chairman of the Members' Council and the Director or General Director. A limited liability company with 11 or more members must establish a Control Board; In case where the company has less than eleven (11) members, the enterprise can decide whether to establish a Control Board in line with its management requirements. Rights, obligations, criteria, working conditions and procedures of the Control Board, and of the Head of the Control Board shall be stipulated in the company's Charter.

The Chairman of the Members' Council or Director or General Director shall be the legal representative as stipulated in the company's Charter. The legal representative of the company must reside in Vietnam; If he/she is absent for over 30 days in Vietnam, another person shall be authorized in writing, as provided in the Company's charter, to exercise his/her rights and obligations.

Article 47. The Members' Council

1. The Members' Council comprises all members and assumes the highest decision-making power. Where a member is an organization, such member shall appoint its authorized representative to participate in the Members' Council. The company's Charter shall state specific regulations on the periodical meetings of the Members' council; however, there should have at least one meeting per year.

2. The Member's Council has the following rights and tasks:

- a) Determining the development strategies and annual business plan of the company;
- b) Determining the increase or reduction of the charter capital, methods and time for additional capital mobilization;
- c) Deciding the method of investment and investment projects that are accounted above 50% of the total asset value recorded in the financial statement of the company at the latest announcement or a smaller ratio which is stipulated in the company's Charter;
- d) Deciding the measures of market development, marketing and technology transfer; approving borrowing, lending contracts , lending and sales contract which its assets are valued at 50% or more of the total asset value recorded in the company's financial statement at the latest announcement or a smaller ratio as provided in the company's Charter;
- đ) Electing, suspending, dismissing the Chairman of the Members' Council; giving resolutions on appointment, suspension, dismissal of the Director, General Director, Chief Accountant, and other important managerial titles as stipulated in the company's Charter;
- e) Making decisions on salaries, bonuses and other benefits of the Chairman of Member's Council, Director or General Director, Chief Accountant and other important managerial titles in the company as stipulated in the company's Charter;
- g) Approving the annual financial statements, and methods to use and distribute profits or handle losses of the company.
- h) Determining organisational structure of management of the company;

- i) Deciding the establishment of subsidiary(ies), branch(es) or representative office(s);
- k) Amending and/or supplementing the company's Charter;
- l) Deciding on reorganisation of the company;
- m) Giving decision on dissolution or bankruptcy of the company;
- n) Other rights and obligations as stipulated in this Law and the company's Charter.

Article 48. Authorized representative

1. The appointment of an authorized representative has to be made in written and to be informed to the company and the business registration body within seven (7) working days of such appointment. The notice has to consist of the major contents as follows:

- a) Name, address of the head office, nationality, the number and the date of the establishment decision or of the business registration;
- b) The capital contribution ratio, the number and date of the capital contribution certificate;
- c) Full name, permanent address, nationality, ID, passport, or other legal individual certification number of the appointed authorized person;
- d) Duration of such authorization;
- đ) Full name, signature of the member's legal representative, and/or the member's authorized representative;

The replacement of the authorised representative shall be informed in writing to the company or the business registration body within seven (7) working days of such replacement is made and shall be effective as of the receiving date by the company..

2. The authorized representative shall have the following criteria and conditions:

- a) Proper civil capacity;
- b) Not in the list of those who are prohibited to establish and manage enterprises;
- c) Having expertise, experience in business management or in the major business (es) of the company;
- d) For subsidiaries of companies, of which the state capital contribution or the state shareholding accounts of more than 50% of the charter capital spouse, father, adopted father, mother, adopted mother, child, adopted child, elder brother, elder sister, young sister, young brother of the enterprise managers and of those who have the authority to appoint managers of the parent company cannot be appointed as the authorized representative in the Members' Council of the subsidiaries.

3. The authorized representative shall, on behalf of the authorising member, exercise the rights and perform obligations of such member in the Members' Council as stipulated under this Law. Any restrictions at any forms made by the authorising member towards his/her authorized representative in the exercise of his/her rights in the Members' Council shall have no legal effects towards the third party.

4. The authorized representative has the obligations to fully participate all meetings of the Members' Council; to exercise all members' rights in the meetings of the Members' Council honestly, carefully and in the best way and ensure the maximum benefits of the authorising member and the company.

5. The authorized representative possesses a number of votes pro rata to the authorized proportion of capital contribution.

Article 49. Chairman of the Members' Council

1. The Members' Council of a limited liability company shall elect one of its members as the Chairman. The Chairman may simultaneously hold the post of Director or General Director of the company.

2. The Chairman of the Members' Council has the following rights and obligations:

a) Preparing, arranging the preparation for working program and plan for the Members' Council activities;

b) Preparing, arranging the preparation for working program, the contents and materials for the Meeting or proceeding consultation of members;

c) Convening and presiding over meeting of Members' Council, or proceeding consultation of members;

d) Supervising or arranging the supervision of the implementation of resolutions of the Members' Council;

đ) Signing, on behalf of the Members' Council, resolutions approved thereof;

e) Other rights and obligations as provided in this Law or the company's Charter.

3. The term of chairmanship shall not exceed five (5) years. The Chairman of the Members' Council can be re-elected with the unlimited term of office.

4. Where the Chairman is simultaneously the legal representative of the company as stipulated in the company's Charter, such fact shall be noted clearly in the company transaction papers.

5. If case of his absence, the Chairman of the Members' Council shall authorize in writing to one member to exercise his/her rights and obligations in accordance with the stipulations the company's Charter. If none of any member is authorized or the Chairman can not work, the remaining members will elect one among them on the majority basis to temporarily exercise rights and obligations of the Chairman.

Article 50. Convention of a meeting of the Members' Council

1. A meeting of the Members' Council shall be convened any time upon the request of the Chairman or one or more members described in Clause 2, 3 of Article 41 of this Law. The meeting of the Members' Council has to be held at the head office of the company unless otherwise provided by the company's Charter.

The Chairman of the Members' Council prepares the working program, contents and convenes the meeting. All members are given the right to put forward written

recommendations to be included in the content of the meeting of the Members' Council. Recommendations should have the main following contents:

- a) Full name, permanent residential address, nationality, ID, passport or other individual certification numbers with respect to members who are individuals; full name, permanent residential address, nationality, the number of establishment decision or business registration number with respect to members who are organizations; full name, signature of members or authorized representatives;
- b) Proportion of capital contribution, number, issuing date of the capital contribution certificate;
- c) Proposals to be included in the meeting agenda;
- d) Reasons for proposals;

The Chairman of the Members' Council has to accept such proposals and supplement into the meeting program of the Members' Council if such proposals have enough contents as regulated and be sent to the head office of the company at least one (1) day prior to the meeting of the Members' Council; in the case if such proposals are submitted just before the opening of the meeting of the Members' Council, they will be accepted if all participated members approve.

2. The notice of the meeting to members of the Members' Council can be in the form of invitation letter, or by telephone, or by fax, or telex or other electronic means as stipulated in the company's Charter and should be directly sent to each member of the Member's Council. The notice should clearly specify the time, venue and meeting program.

The agenda and documents of the meeting shall be sent to members of the company prior to the opening of such a meeting. Materials used for meeting to discuss and make decisions on the amendment, changes of the company's Charter, the approval of the company's development directions, annual financial reports, re-organization or liquidation of the company have to be sent to all members at least two (2) days prior to the opening. For other documents, the period prior [the meeting] in which [documents] shall be sent, shall be specified in the company's Charter.

3. If the Chairman of the Members' Council does not organize a meeting of the Members' Council as requested by members or groups of members as provided in Clause 2 & 3 of Article 41 of this Law within fifteen (15) days since the receiving date of the request, those members or groups of members can organize a meeting of the Members' Council; in this case, if necessary, require the business registration body to supervise the organization and arrangement of the Member's Council meeting; at the same time, are entitled to initiate a lawsuit for and on behalf of themselves or the company against the Chairman of the Members' Council for his/her failure in proper fulfillment of his/her management obligations causing damages to their legitimate interests.

4. If the company's Charter does not provide specific provisions in this regard, the request of the Member's Council for holding such a meeting shall be made in writing in accordance with clause 3 of this Article with the following main information:

- a) Name, address, permanent residential address, nationality, ID, passport, personal certification numbers with respect to members who are individuals; name, permanent residential address, nationality, number of the establishment decision or business registration certificate with respect to members who are organizations; capital contribution ratio, number and issuing date of capital contribution portion of requesting member;
- b) Reasons to meeting of the Member's Council and issues to be resolved;
- c) Proposed meeting programs;
- d) Full name, signatures of each requesting member or their legal authorised representative.

5. In case that the request for such a meeting does not have enough information as provided in clause 4 of this Article, the Chairman of the Member's Council must inform in writing for each related member, member group within seven (7) working days of such request.

In other cases, the Chairman of the Member's Council must hold the Member's Council meeting within fifteen (15) days from the receiving date of such request.

Where the Chairman of the Member's Council fails to convocate the Member's Council meeting as stipulated, he/she must be responsible as in accordance with the law for the damages to the company and related members of the company. In this case, requesting members or member group shall have right to convocate the Member's Council meetings. The reasonable expenses for convocating and carrying out the Member's Council meetings shall be reimbursed by the company.

Article 51. Conditions and formalities for proceeding meetings of the Members' Council

1. A meeting of the Members' Council shall be deemed valid for proceeding where participating members represent at least 75% of the charter capital. A specific ratio is specified by the company's Charter.
2. Where there is a failure to meet conditions for proceeding the first meeting as provided in clause 1 of this Article, a second meeting shall, within 15 days from the proposed date of the first meeting, be convened. The second meeting of the Members' Council so convened shall be deemed valid where participating members represent at least 50% of the charter capital. A specific ratio is specified by the company's Charter.
3. Where the second meeting convened is deemed invalid as not complying with provisions stipulated in Clause 2 of this Article, a third meeting shall, within ten (10) days from the proposed date of the second meeting, be convened. Such a third meeting of the Members' Council shall proceed regardless of the number of participating members as well as the capital ration of the participating members.
4. A member or an authorized representative of a member has to participate and vote at a meeting of the Members' Council. Formalities for proceeding of the meeting of the Members' Council and the voting mode to be applied therein shall be provided by the company's Charter.

Article 52. Resolutions of the Members' Council

1. The Members' Council is entitled to approve resolutions within its power by voting at meetings or by opinions in writing or other forms stipulated by the Charter.

Unless otherwise provided by the company's Charter, resolutions on the following issues have to be made by voting at meetings of the Members' Council.

- a) Supplement and amendment to the company's Charter;
- b) Decisions on the company's development direction;
- c) Election, dismissal of the Chairman of the Members' Council, appointment, dismissal of Directors, General Directors;
- d) Approval of annual financial reports;
- đ) Re-organization or liquidation of a company.

2. A resolution of the Members' Council shall be made where:

- a) Such resolution is approved by the number of votes representing not less than 65% of the total contributed capital of the participating members. The specific ratio is specified in the company's Charter.
- b) Such a resolution is concerned with the sales of 50% or more of the total assets recorded in the latest financial statement of the company or a smaller ratio as stipulated in the company's Charter, amendment or supplementation to the company's Charter, reorganization or dissolution of the company, votes representing not less than 75% of the total contributed capital of the participating members shall be required. The specific ratio is specified by the company's Charter.

3. A resolution of the Members' Council shall be deemed made by consulting opinions in writing if so approved by a number of members who represent not less than 75% of the charter capital. The specific ratio is specified by the company's Charter.

Article 53. Minutes of meetings of the Members' Council

1. All meetings of the Members' Council shall be recorded in the minute book of the company.

2. Minutes of any such meeting must be completed and passed prior to the closing thereof. The minute shall include the following principal contents:

- a) Time, venue, purpose, agenda of the meeting;
- b) Name, contributed capital ratio, number and issuing date of the capital contribution certificate of participating members/authorized representatives; name, contributed capital ration, number and issuing date of the capital contribution certificate of non-participating members/authorized representatives;
- c) Issues to be discussed and voted; summary of speeches/opinions of each member regarding each issue;
- d) Total number of votes "for", "against" and "blank" for each voted issue;

- d) Approved decisions;
- e) Names and signatures of all participating members/authorized representatives.

Article 54. Approval Process of resolutions made by the Members' Council by collection of written opinion.

If the company's Charter does not provide differently, the delegation and mode of collection of in writing opinions for any resolution shall be accordance with the below provisions:

1. The Chairman of the Members' Council shall decide the collection of opinions in writing from its members in order to approve decisions on issues that fall under [its] authority. 31
2. The Chairman shall have the responsibility to draft, send reports and explanations on issues to be resolved , draft decisions and opinion sheets to all board members.

The opinion sheets must contain the following main contents:

- a) The company's name, head office address, business registration date and number, and business registration place;
- b) Full name, address, nationality, ID card number, passport number, or of other legal personal identification documents, ratio of representing equity of the board members;
- c) Issues for comments and feed-back in the order of "agreement", "disagreement" and "abstention";
- d. The deadline for sending the opinion sheets to the company;
- dd. Full name and signature of the Chairman and the board member

The opinion sheets that are filled in sufficient and accurate information and sent to the company by the deadline shall be considered valid;

3. The Chairman of the Member's Council shall be responsible for counting the sheets, making a report, and informing the results and approved decisions to all members within seven (7) working days of such submission deadline. The report on the opinion sheets must contain main contents in accordance with clause 2 of [Article 53](#) of this Law.

Article 55. The Director or General Director

1. The Director or General Director of the company shall execute day-to-day business operations of the company and be responsible to the Members' Council for the performance of his/her rights and duties.
2. The Director or General Director has the following rights and duties:
 - a) Arranging for the implementation of resolutions of the Members' Council;
 - b) Making decisions on all matters arising from the company's daily operation;
 - c) Arranging for the implementation of business and investment plans of the company;
 - d) Issuing the internal management regulations;

- d) Appointing, suspending, dismissing managerial positions in the company, except those whose appointment, suspension, and dismissal are within the power of the Members' Council;
- e) Signing contracts on behalf of the company, except where the signing authority rests within the power of the Chairman of the Members' Council;
- g) Making proposals with regard to the organizational structure of the company;
- h) Submitting the annual financial statements to the Members' Council;
- i) Proposing plans on the distribution of profits or settlement of losses incurred from business course of the company.
- k) Recruiting employees;
- l) Performing other rights as stated in the company's Charter or the labour contract signed between the Director/General Director and the company as resolved by the Members' Council.

Article 56. Obligations of board members, or Director, or General Director

1. The board members and the Director or General Director have the following obligations:
 - a) Exercising assigned rights and obligations in a trustful, careful and best manner to ensure the legitimate benefits at the maximum and the owner of the company;
 - b) Being loyal to the benefits and the owner of the company; not using information, know-how, business opportunities of the company; not abusing their positions, authorities and the company's assets for his/her own interest or other individuals or organizations' benefits;
 - c) Timely providing the company with adequate and accurate information on enterprises which or related persons of which are the owners or shareholders or controlling shareholders. This notice is posted at the head quarter and the branch of the company;
 - d) Fulfilling other obligations in accordance with the stipulations of law and the company's Charter.
2. The Director or General Director's salary is not to be increased and his/her bonus shall not be given when the company fails to pay its debts at the maturity.

Article 57. Criteria and conditions for a Director/General Director

1. The Director or General Director should have the following criteria and conditions:
 - a) Having sufficient civil capacity and being no subject to prohibitions for business management as provided in this Law;
 - b) Being an individual owning at least 10% of the charter capital of the company; or a non-member having practical expertise and experience in business management or in main, major business line of the company, or other conditions and criteria as stipulate in the Company's charter;
3. For a subsidiary of the company with State ownership of over 50% of charter capital, beside the criteria and conditions stipulated in clause 1 of this Article, the Director or

General Director cannot be a spouse, father, adopted father, mother, adopted mother, child, adopted child, brother(s) and sister(s) by birth, administrators and people with the authority to appoint the parent company management.

Article 58. Remuneration, salary and bonus of council members, Director or General Director

1. The company shall have its discretion in paying remuneration, salary and bonus to its council members, Director or General Director and other managers following the business result and effectiveness.

2. The remuneration, salary of council member, Director or General Director and other managers will be accounted as its business expenses in accordance with the law on corporate income tax and related laws and shall be separately presented in one part in the company's annual financial reports.

Article 59. Contracts and transactions subject to the approval of the Members' Council

1. The Company's contracts and transactions to be entered with the following must be approved by the Members' Council:

- a) Any member and authorized representative of a member, Director or General Director, legal representative of the company;
- b) Related persons of the persons stipulated in item (a) of this clause;
- c) Administrators of the parent company and persons who have the authority in appointing management of the parent company;
- d) Related persons of such a person stipulated in item (c) of this clause;

The company's legal representative has to send draft contract of a proposed transaction to all members of the Members' Council and post such its main content on the company's head office or branches. Unless otherwise stipulated by the company's Charter, the Members' Council has to decide the approval of the above-mentioned contracts and transactions within 15 days from the date of posting. In this case, such contracts and transactions shall be accepted upon agreement of members representing at least 75% of the voting capital. The members related with such contracts, and/or transactions shall have no voting rights.

2. The entered contracts, and/or transaction shall be deemed as invalid and be resolved by law if they do not enter as in accordance with clause 1 of this Article. The company's legal representative, related member(s), and related persons of such member(s) shall compensate the company for all losses incurred and/or return the company all the benefits received from the implementation of such contract(s) or transaction(s).

Article 60. Increase and reduction of charter capital

1. Following the resolutions of the members' Council, the company may increase its charter capital by one of the methods as follows:

- a) Increase capital contribution from members;
- b) Adjust the charter capital corresponding to the increased value of the company's assets;

- c) Receive capital contribution from new members.
2. Where the capital contribution of members shall be increased, the additional capital contribution of each member shall be divided corresponding to his/her ration the charter capital of the company. Any member, who protests the decision on increasing charter capital, is not required to contribute any additional capital; and in such case, , his/her respective additional capital shall be distributed to other members in proportion to their capital portion in the charter capital of the company, unless otherwise agreed by members.
3. Upon resolutions made by the Members' Council, the company may decrease its charter capital by means of:
- a) Return its members a part of their capital contribution pro rata to their capital contribution in the company's charter capital if its business has been conducted for two consecutive years since the business registration date; and it ensures to fully pay debts and other property liabilities after such reimbursement to its members;;
 - b) Buy back the capital contribution in accordance with Article 44 of this Law;
 - c) Adjust the charter capital corresponding to the decreased value of assets of the company;
4. Within seven (7) working days since the date of increase or reduction of the company's Charter capital, the company shall inform in writing to the business registration office where it registered. The notice should have the following contents:
- a) Its name, head office address, number and date of its business registration certificate, and place of business registration office;
 - b) Name, address, nationality, ID, Passport or other legal personal certification numbers with respect to members are individuals or number of the establishment decision, business registration with respect to members are organizations, the capital contribution ratio of each member;
 - c) The charter capital, its future capital reduction or increase;
 - d) Date and method of capital increase or reduction;
 - đ) Name and signature of the Chairman of the Members' Council and the legal representative of the company.

For the case of such increase, the decision of the Members' Council should be attached with the notice. For the case of such reduction, the decision of the Members' Council and the latest financial reports should be attached to such report; with respect to shareholding companies with 50% foreign owned capital, its financial reports should be verified by an independent auditor.

The business registration office shall register the increase, reduction of the charter capital within ten (10) working days since the receiving date of such notice.

Article 61. Conditions for profits distribution

A company may distribute its profits to its members only if it makes profits and fulfils its tax and other financial obligations as in compliance with law. In addition, it is required that the

company still can be able to pay its debts and other obligations at the maturity after profit distribution.

Article 62. Revoke the reimbursed contributed capital and distributed profits

Where the return of a partial contributed capital due to a decrease in the company's charter capital which is in breach of provisions in clause 3 and 4 of Article 60 of this Law or the distribution of profits allocated to its members does not comply with conditions stated in Article 61 of this Law, such members shall return the company money and/or assets they have received or be jointly liable for all debts and other obligations of the company until such members have fully repaid all received money or other assets equivalent to the reduced capital or distributed profits.

PART II: SINGLE MEMBER LIMITED LIABILITY COMPANY

Article 63. Single member limited liability companies

1. A single member limited liability company means an enterprise owned by one organisation or one individual (hereinafter referred as the company owner); the company owner is liable for debts and other liabilities of the company within its charter capital.
2. A single member limited liability company shall have legal status upon the issuance date for its business registration certificate.
3. A single member limited liability company may not issue shares.

Article 64. Rights of the company owner

1. The company owner who is an organization shall have the following rights:
 - a) Making decisions on the contents, amendment and supplementation to the company's Charter;
 - b) Deciding the company's development strategy and annual business plan of the company;
 - c) Determining the management and organisation structures of the company; appoint, and dismiss managerial positions in the company;
 - d) Approving investment projects worth 50% or more of the company's total asset value as recorded in the latest financial reports or a smaller ratio as provided in the company's Charter;
 - đ) Determining solutions of market development, marketing and technology;
 - e) Approving lending, borrowing contracts and other contracts as stipulated in the company's Charter with the value equal or greater than 50% of the total asset value recorded in the latest financial reports of the company or a smaller proportion regulated by the company's Charter;
 - g) Approving sales of assets worth 50% or more of the total asset value of the company as recorded in its latest financial reports or a smaller proportion provided in the company's Charter;

- h) Determining the increase of the company's Charter capital; the transfer of a part or entire the company's charter capital to another organizations;
 - i) Deciding the establishment of a subsidiary, making capital contribution to another company;
 - k) Supervising, and evaluating the company's business activities;
 - l) Determining the use of profits after completion of tax and other financial obligations of the company;
 - m) Deciding reorganisation, dissolution and bankruptcy of the company;
 - n) Collecting the entire asset value of the company after the completion of the liquidation or bankruptcy of the company;
 - o) Other rights as stipulated in this Law and the company's Charter.
2. The company owner who is an individual shall have the following rights:
- a) Making decisions on the contents, amendment, supplementation to the company's Charter;
 - b) Deciding on investment, business activities and internal management of the company, unless otherwise stipulated in the company's Charter;
 - c) Transferring a part of or entire the charter capital of the company to another organization and individual;
 - d) Deciding the use of profit after the company fulfils its tax obligations and other financial obligations;
 - đ) Deciding reorganisation, dissolution and bankruptcy of the company;
 - e) Withdrawing the entire asset value of the company after the completion of the liquidation or bankruptcy of the company;
 - g) Other rights as stipulated in this Law and the company's Charter.

Article 65. Obligations of the company owner

The company owner shall be obliged to:

1. Contribute in full and in time the registered amount of capital; if not so, the company owner shall be jointly liable for all debts and other assets obligations of the company;
2. Comply with the company's Charter;
3. Determine and separate the property of the company owner and of the company.

The company owner being an individual shall separate all his/her expenses on behalf of the company Chairman, and Director/General Director from his/her family expenses;

4. Observe regulations of laws with respect to contracts and other related laws on the purchase, sale, borrowing, lending, hiring and renting and other transactions between the company and its owner;
5. Carry out other obligation as provided by this Law and the company's Charter.

Article 66. Restrictions on the rights of the company owner

1. The company owner shall be entitled to withdraw capital by means of transferring a part or entire of its charter capital to other organisation(s) or individual(s); in case of withdrawing its partial or whole capital out of the company in other forms, the company's owner must be jointly liable for debts and other property liabilities of the company.

In case of transferring its partial charter capital to other organizations or individuals, the company must register the transfer into a two-member limited liability company within fifteen days of the transfer date.

2. The company owner may not withdraw the company's profits when the company fails to make full payment of its debts and other liabilities at the maturity.

Article 67. Organizational structure of a single member limited liability company being an organization

1. The company owner shall appoint one or a number of legal authorised representative with the office term of less than five years in order to perform its rights and obligations in accordance with this Law and other related laws. The legal authorised representative must fulfill criteria and conditions as stipulated in clause 2, [Article 48](#) of this Law.

2. The company owner shall have the right to replace the legal authorized representative at any time.

3. If there are at least two (2) persons appointed as the authorized representatives, the organizational and managerial structure of the company includes the Members' Council, the Director/General Director and Supervisors; in such case, the Members' Council shall consist of all these authorized representatives .

4. If there is only one person to be appointed as the authorized representative, in such case, the organizational structure of the company shall consist of the Chairman, the Director, General Director and Supervisor.

5. The company's Charter shall specify if the Chairman of the Members' Council or the company's Chairman or the Director or General Director is the legal authorised 38

representative of the company. The legal authorized representative of the company must reside in Vietnam; if he/she is absent more than thirty days in Vietnam, he/she must authorize another person as the legal authorized representative in accordance with the stipulations of the company's Charter.

6. Functions, rights, and duties of the Members' Council, the company's Chairman, Director or General Director shall be specified in [Article 68](#), 69, 70 and 71 of this Law.

Article 68. The Members' Council

1. The Members' Council shall, on behalf on the company owner, perform rights and duties of the company owner; have the right on behalf on the company to carry out rights and duties of the company; shall be responsible to the laws and the company owner to perform assigned rights and duties in accordance with the stipulations of this Law and related laws.

2. Specific rights, obligations, duties and working regime of the Members' Council in relation with the company owner shall be implemented in accordance with the stipulations of the company's Charter and related laws.
3. The company owner shall appoint the Chairman of the Members' Council. The office term, rights and duties of the Chairman of the Members' Council shall be applied in accordance with the stipulations of [Article 49](#) and other related provisions of this Law.
4. Authority, method of meeting convocation of the Members' Council shall be applied in accordance with [Article 50](#) of this Law.
5. The Members' Council meetings shall be held if at least two third of the members shall attend the meeting. In case where the company's Charter does not stipulate, each member shall have one vote having equal value. The Members' Council can approve the resolutions under the mode of seeking opinions in writing.
6. The decision of the Members' Council shall be approved with the agreement of more than half of the participating members. The amendment, supplementation to the company's Charter, the restructure of the company, the transfer of its partial or whole charter capital must be accepted by at least three fourth of the participating members.
The Council's resolution shall take legal effect from the approval date, unless the company's Charter stipulates that such a resolution need the agreement from the company owner.
7. All meetings of the Members' Council must be recorded in the minutes book. The content of the minutes of the Member's Council shall be applied in accordance with [Article 53](#) of this Law.

Article 69. The Chairman of the company

1. The Chairman of the company shall, on behalf of the owner, perform rights and duties of the company owner; have the right, on behalf of the company, perform rights and duties of the company; shall be responsible to law and the company owner on the execution of assigned rights and duties in accordance with the stipulations of this Law and related laws.
2. Specific rights, obligations, duties, and working regime specified by the Chairman of the company to the company owner shall be implemented in accordance with the stipulations of the company's Charter and related laws.
3. The decision of the Chairman of the company on performing rights and obligations of the company owner shall take effect from the approval date by the company owner, unless otherwise stipulated by the company's Charter.

Article 70. The Director or General Director

1. The Members' Council or the Chairman of the Company shall appoint or recruit Director or General Director with a five year office term at the maximum to operate the company's daily business activities. The Director or General Director shall be responsible to law and the Members' Council or the Chairman of the Company on the performance of his/her rights and duties.
2. The Director and General Director shall have the following rights:

- a) Organizing to perform the decision issued by the Members' Council or the Chairman of the company;
- b) Deciding issues related to the company's daily business activities;
- c) Organizing to implement business plan and investment plan of the company;
- d) Issuing internal management regulations of the company;
- đ) Appointing, dismissing managerial positions of the company, except for positions under the authority of the Members' Council or the Chairman of the company;
- e) Signing contracts on behalf of the company, except for cases under the authority of the Members' Council or the Chairman of the company;
- g) Proposing the plan of the company restructuring;
- h) Submitting annual financial finalization reports to the Members' Council or the company Chairman;
- i) Proposing the plan for the use of profits or handling losses in the business course;
- k) Recruiting employees;
- l) Other rights as stipulated in the company's Charter, labour contracts signed between the Director/General Director and the Council Chairman or the company Chairman.

3. The Director/General Director must fulfill the following criteria and conditions:

- a) Having sufficient civil conduct capacity and being non of any subjects prohibited from business management provided in this Law;
- b) Not being related persons of any Council member or the company Chairman, or the authorized person who directly appoint the authorized representative or the company Chairman;
- c) Having relevant expertise and practical experience in business administration or major business line of the company or other criteria or conditions as stipulated in the company's Charter.

Article 71. Supervisors

1. The company owner shall appoint one to three Supervisors with the three-year office term at the maximum. Such Supervisor(s) shall be responsible to law and the company owner on the performance of their rights and duties.

2. Supervisor shall have the following duties:

- a) Examining the lawfulness, faithfulness, carefulness of the Members' Council, the company Chairman and the Director or General Director in the organization of the ownership rights and in the company's business administration;
- b) Evaluating financial reports, business situation reports, management evaluation reports and other kinds of reports prior to their submission to the company owner or to relevant State authorities; submitting the evaluation report to the company owner;

- c) Recommending the company owner the solutions with respect to the amendment, supplementation on the company's management structure, business administration;
- d) Other duties as specified in the company's Charter or at the request of or decision of the company owner.

3. Supervisors shall have rights to review any dossiers, documents of the company at its head office or branch or representative office. The Council members, the Chairman, the Director or General Director and other managers shall have obligations to supply information in full and timely manner on the implementation of the rights of owner, and of the management, administration of the company's business activities at the request of Supervisors.

4. The Supervisors must fulfill the following criteria and conditions:

- a) Having sufficient civil conduct capacity and falling outside the scope of subjects prohibited from business management provided in this Law;
- b) Not being related persons of the Council members, or the Chairman of the company, (General) Director, or the authorized person who have direct power to appoint the Supervisor of the company;
- c) Having expertise and practical experience in accounting, auditing or expertise and practical experience in the main businesses of the company or other criteria or conditions as stipulated in the company's Charter.

Article 72. Obligations of members of the Members' Council, the Chairman of the company, (General) Director and Supervisors

1. Members of the Members' Council, the Chairman of the company, the Director or General Director and Supervisors shall have the following obligations:

- a) Obeying law, the company's Charter, the decision of the company owner in the performance of their respectively assigned rights and duties;
- b) Performing assigned rights and duties faithfully, carefully and in the best manner to ensure legitimate interests of the company and the company owner at the maximum;
- c) Be loyal to the benefits of the company and of the company owner. Not using information, know-how, business opportunities of the company, not abusing positions, authorities and the company's property to benefit himself or herself or the profits of other organizations or individuals;
- d) Timely providing the company with adequate and accurate information on enterprises which or their related persons are owners or controlling shareholders. This information shall be posted at the company's head office and branch;
- đ) Fulfilling other obligations in accordance with the stipulations of law and the company's Charter.

2. The salary of the Director or General Director shall not be increased and he/she shall not be rewarded when the company can not pay for overdue debts.

Article 73. Remuneration, salary and bonus of the company's managers and Supervisors

1. The company managers and Supervisors shall be entitled to remuneration or salary and other benefits following the company's business results and efficiency.
2. The company owner shall decide the remuneration level, salary and other benefits of Council members, the Chairman of the company and Supervisors. The remuneration, salary and other benefits of the company managers and Supervisors shall be charged as the business expenses in accordance with the stipulations of law on corporate income tax, related laws and shall be represented as one part in the company's annual financial report.

Article 74. Organizational and management structure of a single member limited liability company being an individual

1. A single member limited liability company being an individual has the Chairman of the company, the Director or General Director. The company owner shall serve as the Chairman of the company. The Chairman of the company, the Director or General Director of the company shall be the legal authorized representative of the company as stipulated in the company's Charter.
2. The Chairman of the company can assume as or recruit other persons to be Director or General Director of the company.
3. Specific rights, obligations and tasks of the Director are stipulated in the company's Charter, the labour contract signed between the Director or General Director and the Chairman of the company.

Article 75. Contracts, transactions between the company and related persons

1. Contracts and transactions of all types between a single member limited liability company being an organization and:
 - a) The company owner and the related persons of the company owner;
 - b) The authorized representative, the Director or General Director and Supervisors;
 - c) The related persons to the people stipulated in item b of this clause;
 - d) Managers of the company's owner and the people with authority to appoint these managers;
 - đ) Related persons of the people stipulated in item d of this clause.

The legal representative of the company has to send draft contracts or the notice of transaction contents to the Members' Council or the company's Chairman, the Director or General Director and Supervisors; in the mean while, it is also requested to post the draft contracts at the company's head office and branches in such a place where concerned persons can see.

2. Contracts and transactions provided in clause 1 of this Article shall only be accepted upon at least three (3) following conditions:

- a) The entered parties in such contracts and transactions shall be legal subjects which are independent and have separate rights, obligations, assets and interests;
- b) The price of the contract or transaction shall be the market price at the time of signing the contract or carrying out the transaction;
- c) The company owner shall comply with obligations stipulated in Clause 4, [Article 65](#) of this Law.

3. If a contract has been signed but not been subject to the stipulations provided in clause 1 of this Article, this contract shall be null and void and be handled in accordance with provisions of law. The legal representative of the company and other parties of the contract shall compensate the caused damages and repay the company all benefits gained from the execution of such contract or transaction.

4. All contracts and transactions entered between a single member limited liability company being an individual and the owner or the owner's related persons shall be recorded and kept in a separate file at the company.

Article 76. Increase and reduction of charter capital

1. A single-member limited liability company may not reduce the charter capital.
2. A single-member limited liability company may increase the charter capital by additional investment of the company owner or by mobilization of capital contribution from others.

The owner shall decide the method of increasing and amount of the charter capital to be increased. If the charter capital is to be increased by the capital contributed from others, the

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company shall have to register for its conversion into a limited liability company with 2 or more members within fifteen (15) days of the commitment date of the new members.

CHAPTER IV: SHAREHOLDING COMPANIES

Article 77. Shareholding companies

1. A shareholding company is an enterprise where:
 - a) Its charter capital is divided into several equal portions being called as shares;
 - b) Shareholders can be organisations and/or individuals; there will be at least three (3) shareholders and no restrictions shall be imposed on the number of share holders.
 - c) Being in the priority list for the purchase of newly offered shares corresponding to ordinary share ratio of every shareholder in the company;
 - d) Shareholders are entitled to freely transfer their shares to other shareholders, unless otherwise provided in clause 3 in [Article 81](#) and clause 5 in [Article 84](#) of this Law.
2. A shareholding company shall have its legal status since the issuance date of the business registration certificate.
3. A shareholding company may issue securities of any kind to mobilize capital.

Article 78. Types of shares

1. A shareholding company must have ordinary shares. The owners of such ordinary shares are referred to as ordinary shareholders.

2. A share-holding company can issue preference shares. Holders of preference shares are called preference shareholders.

Preference shares include shares of types as described hereunder:

- a) Voting preference shares;
- b) Dividend preference shares;
- c) Redeemable preference shares;
- d) Other types of preference shares as stipulated in the company's Charter.

3. Voting preference shares shall be held by only government-authorized organisations and founding shareholders. Voting preference of founding shareholders shall be effective for three years from being granted the certificate of business registration. After that, voting preference shares of founding shareholders shall be converted into ordinary shares.

4. Those that are entitled to purchase dividend preference shares, redeemable preference shares or other types of preference shares shall be provided in the company's Charter or decided by the Shareholders' General Meeting.

5. Each share of the same type offers its owners equal rights, interests and obligations.

6. Ordinary shares can not be converted into preference shares. Preference shares shall be converted into ordinary shares subject to resolutions of the Shareholders' General Meeting.

Article 79. Rights of ordinary shareholders

1. An ordinary shareholder shall be entitled to:

a) Participate and speak at Shareholders' General Meetings and exercise his/her voting right him/herself or through his/her authorized representative(s); each ordinary share carries one vote;

b) Receive dividend at the proportion determined by the Shareholders' General Meeting;

c) Take priorities in buying newly issued shares pro rata to the amount of ordinary shares held;

d) Freely transfer their shares to other shareholders and other persons who are not shareholders except any cases regulated in clause 5 of [Article 84](#) of this Law;

đ) Reviewing, referring, and extracting the information in the list of shareholders who have voting rights and requesting the amendment of the inaccurate information;

e) Reviewing, referring, and extracting or copying the Charter of the company, the minutes book of the shareholders' general meeting, and the resolutions of the shareholders' general meeting;

g) In case of the company is dissolved, or bankrupt, shareholders are entitled to receive a part of the remaining assets which shall be corresponding to their shares.

h) Other rights as stipulated by this Law and the company Charter.

2. A shareholder or a group of shareholders, who own over 10% of the total common shares for a continuous period of at least 6 months or a smaller ratio as stipulated by in the company Charter, shall have the following rights:

a) Nominate candidates to be elected to be as Board of Directors' members and Board of Supervision, (if any);

b) Review and extract the minutes' book and resolutions issued by the Board of Directors, semi-annual and annual financial reports under the standard forms of Vietnamese accounting system and reports made by the Board of Supervision;

c) Request to hold a shareholders' general meeting as stipulated in clause 3 of this Article;

d) Request the Board of Supervision to examine detailed issues relating to the business management and administration of the company if considered as necessary. The request shall be made in writing and include full name, permanent address, nationality, identification card number, pass port number, or other legal personal certification

number with respect to shareholders being individual; full name, permanent address, nationality, number of the business registration certificate with respect to shareholders being organization; the quantity of shares and share registration time of each shareholder, total shares of the group of shareholders and their ownership ratio out of total shares of the company; issues and purposes to be examined;

đ) Other rights as stipulated in this Law and the company Charter.

3. A shareholder or a group of shareholders as stipulated in clause 2 of this Article have the rights to summon a shareholders' general meeting in the following cases:

a) The Board of Directors is in breach of serious violation of shareholders' rights, of the obligations of the managers or issues any decision of which exceeds the Board of Directors' delegation;

b) The office term of the Board of Directors has expired for over six months while the new Board of Directors are not yet elected;

c) Other cases as stipulated in the company's Charter.

The request for a shareholders' general meeting shall be made in writing and include full name, permanent address, nationality, identification card number, pass port number, or other legal personal certification number with respect to shareholders being individual; full name, permanent address, nationality, number of the business registration certificate with respect to shareholders being organization; the quantity of shares and share registration time of each shareholder, total shares of the group of shareholders and their ownership ratio out of total shares of the company; the foundation and reasons for holding a shareholders' general meeting. There should have documents and evidence for the violation committed by the Board of Directors, the violation level or the over-delegated decision.

4. Unless otherwise provided for in the company's Charter, the nomination of the Board of Management and the Supervision Board stipulated in clause 2 of this Article shall be implemented as follows:

a) Ordinary shareholders voluntarily form groups, which satisfy the conditions to be able to nominate candidates for the Board of Management and the Supervision Board. These groups must report of the gatherings to all participating shareholders at the opening of the Shareholders' General Meeting as the latest.

b) Based on the number of members of the Board of Directors and the Control Board, the shareholders or groups of shareholders stipulated in clause 2 of this Article shall have right to nominate one or number of persons in accordance with the decision of the Shareholder's Meeting. If the number of candidates nominated by shareholders or groups of shareholders are fewer than the number of candidates being entitled to be nominated according to the resolution of the Shareholders' General Meeting, the remaining shortage shall be nominated by the Board of Directors, the Supervision Board and other shareholders. 46

Article 80. Obligations of ordinary shareholders

1. To make a full payment for their subscribed shares within ninety days of the issuance date of the business registration certificate; to be liable for debts and other liabilities of the company to the extent of the paid-in capital;

No withdrawal of the contributed capital for ordinary shares from the company is allowed in any form except the company or other persons re-purchase the shares. If a shareholder withdraws a part or the whole contributed capital which is the contrary to the stipulations of this clause, all members of the Board of Directors and the legal representative of the company shall be jointly responsible for all debts and other asset obligations of the company within the amount of the withdrawn shares.

2. To comply with the Charter and other internal regulations of the company;

3. Comply with resolutions of the Shareholders' General Meeting and of the Board of Directors;

4. To follow other obligations as stipulated in this Law or the company's Charter.

5. Ordinary shareholders will be personally responsible when they are on behalf of the company to act one of the following behaviors:

a) To violate of laws;

b) To conduct business and other transactions for her/his own benefit or for benefits of other individuals or organizations;

c) To pay immature debts while the company is in the possibility of financial danger.

Article 81. Voting preference shares and rights of voting preference shareholders

1. Voting preference shares are shares which carry more votes than ordinary shares. The number of votes in a voting preference share shall be determined in the company's Charter.

2. Voting preference shareholders shall have the following rights:

a) Having voting rights with respect to issues under the authority of the shareholders' general meeting. The number of votes shall be determined in clause 1 of this Article;

b) Other rights as ordinary shareholders, except as stipulated in clause 3 of this Article;

3. Voting preference shareholders may not transfer their shares.

Article 82. Dividend preference shares and rights of dividend preference shareholders

1. Dividend preference shares are shares which give their holders an entitlement to a higher annual dividend than that of ordinary shares, or to a fixed annual dividend. The annual dividend of such a share comprises fixed dividend and bonus dividend. Fixed dividend is paid regardless of profits made by the company. The amount of fixed dividend and calculation method of bonus dividend are stated on such dividend preference shares.

2. Dividend preference shareholders shall be entitled to:

- a) Receive dividend at the level provided in clause 1 of this Article;
- b) Receive part of the company's remaining assets corresponding to their paid-in shares after the company pay all debts and redeemable preference shares when the company is dissolved or bankrupt;
- c) Have the same rights as an ordinary shareholder, except those in clause 3 of this Article.

3. Dividend preference shareholders may not vote, and/or attend the Shareholders' General Meeting, and/or nominate candidates to be elected as members of the Board of Directors and the Control Board.

Article 83. Redeemable (preference) shares and rights of redeemable preference shareholders

1. A redeemable preference share is a share that can be repurchased by the company at any time upon the holder's request, or under circumstances as stated in the share certificate.

2. A redeemable preference shareholder shall have the same rights as an ordinary shareholder, except those in clause 3 of this Article.

3. No redeemable preference shareholders shall be entitled to vote, to attend the Shareholders' General Meeting, to nominate candidates in the Board of Directors and the Supervision Board.

Article 84. Ordinary shares of founding shareholders

1. Founding shareholders shall subscribe together at least 20% of the total ordinary shares issued by the company; and have to pay in full for the subscribed shares within 90 days since the issuance date of the company's business registration certificate.

2. Within 90 days of issuance date of its business registration certificate, the company must inform the business registration office about its share capital contribution. The notice must include the following main contents:

- a) Name, head office address, business registration number and date, and business registration location;
- b) Total number of authorized ordinary shares, and number of subscribed shares of the founding shareholders;
- c) Name, permanent residential address, nationality, ID number, passport number or other legal personal identification numbers with respect to founding shareholders who are

individuals; name, permanent residential address, nationality, number of the decision on establishment or registration number with respect to shareholders who are organizations, number of subscribed shares, numbers of paid-in shares and value of paid-in shares, types of assets used to make share capital contribution of each founding member;

d) Total of shares and value of paid-in shares of all founding shareholders;

đ) Full name and signature of the company's legal representative.

The legal representative must be personally responsible for damages to the company and other persons due to his/her delay in giving a notice, or dishonest, inaccurate and inadequate announcement.

3. If any founding shareholder does not pay in full for his/her subscribed shares, the uncontributed shares shall be resolved by one of the following methods:

a) All the other founding shareholders will buy the unpaid subscribed shares corresponding to their share proportion owned in the company;

b) One or a number of founding shareholders agree to fully contribute the unpaid shares;

c) Call for other persons who are not shareholders to contribute the unpaid shares; and that capital contributor will be the founding shareholder of the company. In this case, uncontributed founding shareholders do not contribute subscribed shares are shareholders of the company, as a matter of course.

When all subscribed shares of all founding shareholders are not paid in full, all founding shareholders shall jointly responsible for all the debts and other asset obligations of the company to the extent of the value of the unpaid shares.

4. In case founding shareholders do not subscribe all shares to be offered, the remaining shares shall be offered and sold out within 3 years from the issuing date of the business registration certificate.

5. Within 3 years of the issuance date of the business registration Certificate, founding shareholders may freely transfer their ordinary shares to other founding shareholders; and only may transfer their ordinary shares to non-founding shareholders upon the agreement of the Shareholders' General Meeting. In this case, such founding shareholders who plan to transfer may not vote with respect thereto and the transferees shall apparently become founding members of the company.

After a period of 3 years from issuance date of the business registration certificate, all restrictions imposed upon founding shareholders shall be abolished.

Article 85. Share certificates

1. Certificates issued by a shareholding company or recorded in the book entry evidencing the ownership of one or more shares issued thereby are referred to as share certificates. A share certificate so issued may be either bearer share certificate or non-bearer share certificate. A share certificate shall include in the least the following contents:

a) Name, address of head office of the company;

b) Registration number and the date the Certificate of business registration;

- c) Number and type of shares;
- d) Face value of each share and the total face value of shares specified in the share certificate;
- đ) Name, permanent residential address, nationality, ID, passport or other legal individual certifications numbers with respect to shareholders who are individuals; name, permanent residential address, nationality, the number of the establishment decision or the registration number of shareholders with respect to shareholders are organizations;
- e) Summary of procedures of transfer of shares;
- g) Specimen signature of the legal representative and seal of the company;
- h) The number registered in the company's register book of shareholders and the issuance date of shares;
- i) Other contents as described in Articles 81, 82 and 83 of this Law shall be included with respect to preference share certificates.

2. Any mistake in the content and format of such a share certificate issued by the company do not affect the rights and benefits of its owner. The Chairman of the Board of Directors and the Director (General Director) shall be jointly responsible for losses suffered by the company caused by such a mistake.

3. In case where share certificates are lost, torn, burnt or destroyed in any other forms, share certificates shall be re-issued to such shareholders at their request.

A shareholder's request must guarantee the following:

- a) The share certificates were actually lost, burnt or destroyed in other forms; in case of loss, the shareholder must guarantee that he/she has searched everywhere and if they are found, he/she shall return them to the company for deletion;
- b) Be responsible for any dispute arising from the re-issuance of new share certificates.

With respect to share certificates with nominal value of over ten millions Vietnamese dong, prior to accepting the request of re-issuance the new share certificates, the legal authorized representative of the company may require the shareholders to announce that their share certificates are lost, burnt or destroyed in other forms and after fifteen days from the date of such announcement, they shall request the company to issue new share certificates.

Article 86. Register book of shareholders

1. A company shall make and maintain a register book of shareholders from the date of being granted the Certificate of business registration. Such a book may be in writing or in electronic files or both.

2. The register book of shareholders shall include the following contents:

- a) Name and address of the company's head office; 50
- b) Total number of authorized shares, types and amount of shares of each type.
- c) Total number of paid-in shares of each type and value of paid-in equity capital.

d) Name, permanent residential address, nationality, the ID, passport or other legal individual certifications numbers with respect to shareholders are individuals; name, permanent residential address, nationality, the number of the establishment decision or the registration number with respect to shareholders are organizations;

đ) Total shares of each type for each shareholder, date of subscribing shares.

3. Register book of shareholders shall be kept in the head office of the company or the Center for registration, custody, clearing and settlement of securities. All shareholders shall have the right to check, refer to, extract, copy the content of the register book of shareholders at any time during the working hours of the company or of the Center for registration, custody, clearing and payment of securities.

4. Shareholders holding 5% or more of the number of the shares shall be registered with the competent business registration office within 7 working days from the date of owning such a ratio of shares.

Article 87. Issuance and transfer of shares

1. The Board of Director has the right to decide the time, method and offer price of shares within the shares to be offered. The offer price of share shall not be lower than the market price at the time of offer or the book-value of the shares at the latest time except for the following cases:

a) Where shares are offered for the first time to non-founding shareholders;

b) Where shares are offered to all shareholders pro rata their share proportion in the company.

c) Where shares are offered to brokers and guarantors. In this case, the specific discount amount or discount rate shall be approved by shareholders representing at least 75% of the total voting shares;

d) Other cases and discount rate in such cases shall be stipulated in the company's Charter.

2. In case where the company issue additional ordinary shares and offer them to all ordinary shareholders pro rata their share proportion held in the company. Such offer shall follow the following regulations:

a) The company shall inform the sale of shares in writing and by registered mail to the permanent addresses of shareholders. Such notice has to be advertised on 3 consecutive issues of newspapers within 10 working days of the issuance date of the announcement.

b) Such announcement should consist of name, permanent residential address, nationality, ID, passport, other legal individual certification numbers with respect to 51

shareholders who are individuals; name, permanent residential address, nationality, number of the establishment decision or the registration number with respect to shareholders who are organizations; the number of shares and share equity proportion by shareholder in the company; total shares to be issued and number of shares that the shareholders have the right to purchase; the offer price, time-limit of subscription; full name, signature of the company's legal representative. The time-limit in the announcement shall be reasonable long for

shareholders to subscribe. The announcement shall be attached with a subscription registration form issued by the company.

c) Shareholders can transfer their purchase rights to others.

d) If the share subscription registration form is not sent to the company within the time-limit as stipulated in the announcement, the related shareholder is considered as not receiving the priority in buying shares. If the shares intended to be issued are not fully subscribed by shareholders and transferees of the priority of buying shares, the remaining shares shall be managed by the Board of Directors. The Board of Directors can distribute these shares to shareholders of the company or to others in an appropriate way provided that [the offering conditions of such remaining shares are]not better than that of offered to shareholders, unless approved otherwise by the Shareholders' General Meeting or shares are sold through the stock exchange.

3. A share shall be deemed to be sold when they are paid in full and the information of the buyer as stipulated in clause 2, [Article 86](#) of this Law is accurately and sufficiently recorded in the register book of shareholders; Since then, the buyer of such shares becomes a shareholder of the company.

4. After the full payment for shares is made, the company shall issue and deliver share certificates to the buyers. The company may sell shares only without issuing share certificates. In such case, information regarding shareholders as stipulated in clause 2 Article 86 of this Law recorded in the Register book of shareholders shall be sufficient to certify the ownership of such shareholders in the company.

5. All share certificates shall be freely transferable except for cases stipulated in clause 3 in Article 81 and clause 5 in Article 84 of this Law. The transfer can be made in writing as usual or by hand delivery only. The transferring paper will be signed by transferor and transferee or by their authorized representatives. The transferor shall still be the owner of the related shares until the transferee's name is recorded in the register book of shareholders.

In case only some shares of a bearer share certificate are transferred, the old share certificate shall be deleted and the company shall issue new share certificates to record the transferred shares, and the remaining shares (f the old share certificate).

6. The conditions, methods and procedures of offering shares to the public shall be implemented in accordance with the stipulations of law on securities.

Article 88. Issuance of bonds

1. A shareholding company shall be entitled to issue bonds, convertible bonds, and other types of bonds in conformity with provisions of law and the company's Charter.

2. Companies may not issue bonds in the following cases, unless otherwise provided by the law on securities:

a) The company fails to make full repayment for the principal and interest of the issued bonds or do not pay or can not make full payment of its matured debts during 3 previous consecutive years.

b) The average after-tax-profit ratio of 3 previous consecutive years is not higher than the proposed interest rate paid to bonds to be issued.

The bond issuance with respect to creditors are financial institutions is selected without any restriction as stipulated in section a, b of this clause.

3. Except in cases where the company's Charter provides otherwise, the Board of Directors shall the right to determine types of bonds, the total value of bonds and issuing date, but shall have to report at the Shareholders' General Meeting in the next meeting. The report shall consist of documents, files for explaining the decision of the Board of Directors regarding the bond issuance.

Article 89. Purchase of shares, bonds

Shares and bonds of a shareholding company can be paid in either Vietnamese Dong, freely convertible foreign currencies, gold, value of land use rights, value of intellectual property rights, technology and know-how or other assets as stipulated in the company's Charter. Shares and bonds of the company shall be paid in full in lumpsum.

Article 90. Repurchase of shares at the request of shareholders

1. A shareholder shall be entitled to request the company to repurchase his/her own shares if such shareholder votes against resolutions of the Shareholders' General Meeting with respect to the restructure of the company or alteration of the rights, obligations of shareholders provided in the company's Charter. The request shall be in writing, in which specifying name, address of such a shareholder and the number of shares held under each type of such shareholder, the proposed price and the reasons for such request. The request shall be sent to the company within 10 working days from the date of resolution on issues mentioned in this clause of the Shareholders' General Meeting.

2. A company shall buy back from the shareholder, in accordance with his/her request as stipulated in clause 1 in this Article, his/her shares at a market price or a price calculated by the net assets method or the discounted cash flows method or any other methods stated in the company's Charter, within 90 days from the date of receipt of such request. Where such price fails to be agreed, the shareholder can sell the share to another person or the company and the shareholder can call for a professional valuation organization. The company can recommend at least 3 professional valuation organizations so that shareholders can choose and the decision of such a valuation organization is the final.

Article 91. Buy-back of shares as resolved by the company

A shareholding company is entitled to buy back no more than 30% of its issued ordinary shares, a portion or all of its sold preference shares in accordance with the following regulations:

1. The Board of Directors shall have right to decide a buy-back of 10% or less of each type of shares offered for every 12 months. In other cases, buy-back of shares shall be decided by the Shareholders' General Meeting.

2. The Board of Directors shall determine the price for the repurchase. With respect to ordinary shares, the determined price shall not exceed their market price at the time of

repurchase, unless otherwise stipulated by clause 3 of this Article. The price of other types of shares shall not be lower than their market price, unless otherwise stipulated by the company's Charter or otherwise agreed between the company and related shareholders.

3. The company is entitled to buy back a number of shares from each shareholder in accordance with his/her equity proportion in the company. Where this is the case, a notice of such decision by the company shall be sent under the registered form to all shareholders within 30 days from the date of approval of such resolution. A notice so made shall include the name and head office's address of the company, the total number and types of shares to be bought back, price of such repurchase, procedures and time-limit for payment, procedures and time-limit for a shareholder to offer the company his/her shares.

Shareholders who agree to resell their shares must send their offers to the company within 30 days from the notice date. The offers shall include full name, permanent residential address, ID or passport number, or other legal personal certification with respect shareholders are individuals; full name, permanent address, nationality, the establishment decision number or the registration number with respect to shareholder are organization; total shares owned, the number of shares for sales; payment method, signatures of shareholders or of their legal representatives. The sale offer must be sent to the company by registered form. The company shall only buy back shares offered within the said period.

Article 92. Payment conditions and settlement of repurchased share

1. A shareholding company shall only be entitled to make full payment for the share repurchase as stipulated in Article 90 and Article 91 of this Law where subsequent to such payment, the company shall still be able to pay its mature debts and other liabilities.

2. All shares that are bought back in conformity with stipulations in Article 904 and Article 91 of this Law shall be deemed recalled shares, which are later eligible for re-offering.

3. Share certificates verify the ownership of the repurchased shares shall be destroyed right after the respective shares have been paid in full. The Chairman of the Board of Directors and Director or General Director will be jointly responsible for any losses caused from non-destroying or delaying in destroying of share certificates.

4. Where a full payment of shares to be bought back causes a decline in the total value of the company assets by more than 10%, the company shall so notify to all of its creditors within 15 days from date of such payment.

Article 93. Distribution of dividend

1. The dividend paid for the preference shares shall be carried out in accordance with the specific conditions applicable for each type of preference share.

2. Dividend paid for the ordinary share shall be based on the net profit, and the amount used to pay the dividend shall be extracted from the profit, which is kept by the company. A shareholding company shall be entitled to pay dividends to its shareholders if its tax and other financial obligations have been fulfilled in accordance with the provisions of law; contribution to the company's funds, has been made in accordance with the law and the

company's Charter; and immediately after settling the dividends, the company must assure the settlement of other due debts and obligations.

Dividends can be paid in cash, shares of the company, or other assets in accordance with the company's Charter. In the case of cash, the payment shall be in VND or can be in made by cheque or a money order sent to the permanent residential address of residence of shareholders.

Dividends can be paid through bank transfer when the company has all information of shareholders' banks enabling the company to direct transfer to the shareholders' bank account. If the company has transferred the money according to the information provided by shareholders, it will not be responsible for any losses, if any, incurred from that transaction.

3. Upon and for the purpose of making payments of dividend, the Board of Management shall make a list of shareholders who get paid, determine the amount of dividend per share, the time and form in which such payment is made, at least 30 days prior the date on which the payment is proposed to be made. Notice of dividend payment shall be forwarded to by registered mail to the registered address of all shareholders of no later than 15 days prior to the date of such payment. Such notice shall contain the name of the company; full name, permanent address, nationality, ID, passport or other legal individual certification numbers with respect to shareholders who are individuals; name, permanent residential address, nationality; the number of establishment decision or the registration number with respect to shareholders who are organizations, the number of shares held under each type, the amount of dividend per share and the total dividend received by such shareholder, the time and mode of payment; full name, the signature of the Chairman of the Board of Management and the company's legal representative.

4. Where a shareholder transfers his/her shares within the period, which is between the completion of the shareholders list and the dividend payment, the transferor shall receive the dividends from the company.

Article 94. Recovery of unlawful payment for the repurchase of shares or dividend

Where the buy-back of shares does not comply with clause 1 of [Article 92](#) of this Law, or the payment of dividend is contrary to [Article 93](#), all shareholders shall pay back the company the paid money or assets taken as a result thereof; in the case where a shareholder is not able to do so, that shareholder and all members of the Board of Management shall jointly be liable for the all debts and other asset obligations of the company to the extent of the value of the money and assets which have been paid back to the shareholder and have not been returned.

Article 95. Organisation and management structure of shareholding companies

A shareholding company shall comprise the Shareholders' General Council; the Board of Management, the Director or General Director, and the Control Board where the company has more than 11 individual shareholders or a single shareholder who is organization, holds over 50% of the total shares of the company.

The Chairman of the Board of Management or the Director or General Director is legal representatives of the company as stipulated in the company's Charter. The legal

representative must reside in Vietnam. In case he/she is absent from Vietnam for more than 30 days, such a representative should authorize another in writing to exercise the rights and obligations on behalf of the lawful representative as stipulated in the company's Charter.

Article 96. Shareholders' General Meeting

1. All shareholders with voting rights make up the Shareholders' General Meeting that acts as the highest decision-making body of a shareholding company

2. The Shareholders' General Meeting shall have the following rights and obligations:

- a) Approving the company's development directions;
- b) Deciding the types and total amount of shares under each type the company is authorised to issue; decide the annual dividend per share, unless otherwise stipulated in the company's Charter.
- c) Electing and dismissing members of the Board of Management and of the Control Board;
- d) Making decisions on investment or approving the sales of 50% or more of the total value of assets recorded in the company's accounting books except the company's Charter differently regulates;
- đ) Determining the revision and/or supplementation of the company's Charter, except where there is an adjustment of charter capital as a result of selling new shares within the total amount of shares the company is authorized to issue as stipulated in the company's Charter;
- e) Approving annual financial statements;
- g) Making decisions with regard to the repurchase of over 10% of issued shares of each type;
- h) Investigating and deciding how to deal with breaches committed by the Board of Management and the Control Board which cause damage to the company and its shareholders;
- i) Determining the restructure and dissolution of the company;
- k) Other rights and obligations as stipulated in this Law and the company's Charter.

3. Shareholders who are as legal entities shall have right to appoint one or more authorized representatives to exercise their rights in accordance with the lawful regulations. If more than one authorized representative is appointed, it is required that a number of shares and votes of each authorized representative to be determined. The dismissal, appointment or change of authorized representatives shall be made in writing and be notified to the company at the earliest convenience. The notice shall consist of the following contents:

- a) Name, permanent residential address, nationality, number and date of the decision for establishment, or of the registration of shareholders;
- b) Number of shares, types of shares and date of shareholders registration in the company;
- c) Full name, permanent residential address, ID, passport, other legal individual certification numbers of the authorized representatives;
- d) The number of authorized shares;

- d) Duration of such authorization;
- e) Signature of the authorized representative and the legal representative for shareholders.

The company shall send a notice on the authorized representative mentioned in this clause to the business registration office within 5 working days from the date of receiving such notice.

Article 97. Authority to convene the Shareholders' General Meeting

1. The Shareholders' General Meeting is required to be held annually or irregularly at least once per year. The venue of the Shareholders' General Meeting must be in the territory of Vietnam.

2. The Shareholders' General Meeting shall be conducted annually within 4 months from the date of ending the fiscal year. Upon the request of the Board of Management, the business registration body can extend the time but not exceeding 6 months from the end of the fiscal year.

The regular meeting shall discuss and approve:

- a) The annual financial report;
- b) Report of the Board of Management on the evaluation of the business management in the company.
- c) Report of the Control Board on the management of the Board of Management and the Director or General Director.
- d) Dividends for each type of shares;
- đ) Other issues within the authority.

3. The Board of Management shall convene an irregular meeting of the Shareholders' General Meeting in one of the following cases:

- a) The Board of Management considers it necessary for the benefits of the company;
- b) The remaining members of the Board of Management are fewer than as stipulated by law.
- c) At the request of a shareholder or group of shareholders prescribed in clause 2, [Article 79](#) of this Law,
- d) At request of the Control Board;
- đ) Other cases as stipulated by law and the company's Charter.

4. Unless otherwise provided by the company's Charter, the Board of Management shall convene the Shareholders' General Meeting within 30 days commencing from the date when the remaining members of the Board of Management as stipulated in item b receive the request as described in item c and d, clause 3 of this Article.

Where the Board of Management fails to do so, the Chairman of the Board of Management shall be responsible to law and compensate caused damages and losses for the company.

5. Where the Board of Management fails to do so as stipulated in Clause 4 of this Article, within the next 30 days the Control Board in place of the Board of Management convene the Shareholders' General Meeting in compliance with this Law.

Where the Control Board fails to do so, the Head of the Control Board shall be responsible to law and compensate caused damages and losses for the company.

6. Where the Control Board fails to do so as stipulated in Clause 5 of this Article, a shareholder or group of shareholders as provided in clause 2 Article 79 of this Law, in place of the Board of Management and Control Board, shall have the right to convene the Shareholders' General Meeting in compliance with this Law.

In this case, shareholders or shareholder group convening Shareholders' General Meeting may ask the business registration office to supervise the convention and organization of the meeting if necessary.

7. The conveners of the Shareholders' General Meeting shall make a list of shareholders entitled to participate in sessions thereof, provide information and resolve complaints regarding such list of shareholders, prepare the agenda, contents and materials for such meeting, set the time and decide the venue thereof, forward the meeting invitations to each

shareholder eligible for attendance in conformity with this Law, and provide information and solve claims relating to the list of shareholders.

8. All expenses arising from the convocation and process of the Shareholders' General Meeting stipulated in clause 4, 5 and 6 of this Article shall be reimbursed by the company.

Article 98. List of shareholders entitled to participate in sessions of the Shareholders' General Meeting

1. The list of shareholders entitled to participate in sessions of the Shareholders' General Meeting shall be made based on the Register book of shareholders. Such list shall be made when there is a resolution to make convocation thereof and must be completed no later than 30 days prior to the date of opening the Shareholders' General Meeting, unless the company's Charter determines a shorter period.

2. The list of shareholders shall include full name, permanent address of residence, nationality, ID, passport or other legal individual certification numbers with respect to shareholders who are individuals; name, permanent residential address, nationality, the number of decision of establishment or the business registration number with respect to shareholders who are organizations; the number of shares of each type, total shares and the date of registration under each type of each shareholder.

3. Every shareholder shall have the right to check, search, extract and copy the list of shareholders, who are eligible for attendance in sessions of the Shareholders' General Meeting; to request amendment of incorrect information or addition of necessary information concerning him/her-self in the list of shareholders eligible for attendance in the Shareholders' General Meeting.

Article 99. Agenda and contents for sessions of the Shareholders' General Meeting

1. The conveners of the Shareholders' General Meeting shall be liable to make the list of shareholders to attend the meetings and to vote; prepare the agenda and materials for the

meeting and the draft resolutions for each issue in the agenda, determine the time and venue and send invitations to all eligible shareholders for participation in the sessions.

2. Shareholders whether in person or in group as described in clause 2 of Article 79 of this Law shall be entitled to make proposals as to matters to be included in the meeting agenda of the Shareholders' General Meeting. Such proposals shall be made in writing and forwarded to the company no later than 3 working days prior to the opening date of such meeting, unless the company's Charter provides for different time limit. A proposal so forwarded shall specify the names of such shareholders, the amount of shares held by them under each type, number and date of shareholders registration in the company, and matters proposed for inclusion in the meeting agenda.

3. The conveners of the Shareholders' General Meeting shall be entitled to refuse such proposal as stipulated in clause 2 of this Article in the following circumstances:

- a) Such proposals fail to be forwarded within the specified time-limit or fail to include all the required information;
- b) The proposed matters are not within authority of the Shareholders' General Meeting.
- c) Other circumstances as stipulated in the company's Charter.

4. Except otherwise provided in clause 3 of this Article, the conveners of the Shareholders' General Meeting shall accept and put the recommendations in clause 2 of this Article in the proposed meeting agenda and contents; the recommendations will be officially added into the meeting agenda and contents subject to the approval of the Shareholders' General Meeting.

Article 100. Invitation to sessions of the Shareholders' General Meeting

1. The conveners of the Shareholders' General Meeting shall forward invitations to all shareholders eligible for participation in sessions of the Shareholders' General Meeting no later than 7 working days prior to the opening date thereof, unless the company's Charter provide for different time limit. The notice shall be forwarded to the permanent address of shareholders by registered mail.

Such invitation shall include: name, address of head office, number and date of issuance of business registration certificate, place of business registration, name and permanent address of shareholders or of the shareholders' authorized person, time and venue of meetings.

2. Such invitation shall be enclosed with the form of authorization for attending the session, the agenda, vote and discussion materials as grounds for adoption of resolutions, and the draft resolutions for each issued to be discussed in the meeting agenda.

If the company has a website, the meeting invitation and other relevant materials shall be posted on the website as well as forwarded to the shareholders.

Article 101. Authorisation to participate in sessions of the Shareholders' General Meeting

1. A shareholder whether in persons or in the authorized representative of shareholders directly or in writing authorises another to participate in a session of the Shareholders'

General Meeting. If shareholders are institutions and do not authorize a representative as stipulated in clause 3 Article 96 of this Law, they can appoint a person to participate in the Shareholder's meeting.

2. The appointment of the representative to attend the Shareholders' General Meeting shall follow the form provided by the company:

a) If the shareholder being an individual is the authorizer, there shall be signatures of both that shareholder and the authorized person;

b) In case where the legal representative of shareholders being organization is the authorizer, there should be signatures of the authorized representative, the legal representative of shareholders and the person authorized to attend the meeting.

c) In other circumstances, there shall be signatures of the legal representative of shareholders and the person authorized to attend the meeting.

The person authorized to attend the Shareholder's Meeting must submit the authorization document prior to attending the meeting.

3. Unless provided in clause 4 of this Article, the voting of the personal authorized to attend the meeting within the authorization will be effective even in the following cases:

a) The authorizer is dead or his/her capacity of civil acts are either lost, or restricted;

b) The authorizer has canceled such authorization;

4. The provisions in clause 2 of this Article will not be applicable if the company receives a written notice of one of these events stipulated in clause 3 of this Article no less than 24 hours prior to the opening of the Shareholders' General Meeting.

5. Where a shareholder transfers his/her own shares within the period from the completion date of the list of shareholders to the opening date of the Shareholders' General Meeting session, the transferee shall have the right to participate in such session in place of the transferor with respect to such transferred shares.

Article 102. Conditions of the Shareholders' General Meeting sessions

1. A session of the Shareholders' General Meeting shall be deemed valid where it is attended by a number of shareholders that own at least 65% of the voting shares. The specific ratio shall be stipulated in the company's Charter.

2. Where the first convocation fails to satisfy the conditions required in clause 1 of this Article, the Shareholders' General Meeting shall be convened for the second time within 30 days from the proposed opening date of the first session. A session so convened shall be deemed valid where participating shareholders represent no less than 51% voting shares. The specific ratio shall be stipulated in the company's Charter.

3. Where the second session so convened also fails to satisfy the conditions provided in clause 2 of this Article, the Shareholders' General Meeting shall, within 20 days from the proposed opening date of the second session, be convened for the third time. In such case, the third session of the Shareholders' General Meeting shall be carried out regardless of the

number of participating shareholders as well as the ratio of the voting shares held by participating shareholders.

4. Only the Shareholders' General Meeting shall have right to alter the meeting agenda being enclosed with the invitations in accordance with [Article 100](#) of this Law.

Article 103. Procedures of conducting meetings and voting procedures of the Shareholders' General Meeting

Unless otherwise provided in the company's Charter, procedures of convention and voting procedures of the Shareholders' General Meeting will be conducted according to the following regulations:

1. The day prior to the opening of the meeting, registration procedures must be undertaken and continued until all eligible participating shareholders are registered. Upon registration, participants shall be provided with voting cards corresponding with the number of issues to be voted in the meeting agenda;

2. The Chairman, secretary and vote counting committee of a session of the Shareholders' General Meeting shall be defined according to the following regulations:

a) The Chairman of the Board of Management shall chair meetings convened by the Board of Management. Where the Chairman is absent or temporarily lost the ability to work, the remaining members shall select one of them to be the Chairman of the meetings. In case none of the members can be the Chair, the highest ranking member of the Board of Management shall guide the Shareholders' General Meeting to vote for a Chairman; and the person receiving the highest vote shall chair the meeting.

b) In other cases, the person who signs the decision to convene the Shareholders' General Meeting shall guide the Shareholders' General Meeting to vote for a Chair; and the person receiving the highest vote shall chair the meeting.

c) The Chair shall nominate a person to be the secretary in charge of taking the meeting minutes.

d) The Shareholders' General Meeting shall select a vote counting committee consisting of no more than 3 persons at the request of the Chairman.

3. The meeting agenda and contents must be approved by the Shareholders' General Meeting in the opening session. The meeting agenda must define details and timing for each of the issues to be discussed.

4. The Chair and secretary of the Shareholders' General Meeting shall have the right to perform activities that they find relevant in order to chair the session properly, in order, and in compliance with the approved agenda; or to make the session reflect the opinions of the majority of participants.

5. The Shareholders' General Meeting shall discuss and vote for each of the issues identified in the meeting agenda. The voting shall be in the way of firstly collecting voting cards that support the resolutions, then collecting "against" voting cards; and finally counting the supporting voting-cards, "against" voting-cards, and "blank" ones. The counting results shall be announced by the Chair before the session is closed.

6. Shareholders or authorized representatives who come after the Meeting opened shall be entitled to register and shall have right to vote after registration. The Chair must not stop the session for the late comers to register; and effectiveness of votes that have already been done shall not be affected.

7. The person who convenes the Shareholders' General Meeting shall have the right to:

- a) Ask all participants to go through screening checks or other security measures;
- b) Ask competent agencies to maintain the order of the Meeting; expel those who do not comply with the Chair's instructions, or intentionally make disorders and hinder the smooth progress of the Meeting, or refuse to comply with the security checking requirements.

8. The Chair shall have the right to delay a Meeting which is attended by a sufficient number of participants till another time or at another location in the following cases:

- a) There is not enough space for the participants at the current meeting location;
- b) The participants have acts that violate or hinder the order of the Meeting that are beyond the control of current security measures, which might make the Meeting unfair and improper.

The delay time should not be over 3 days from the planned date of the meeting commencement.

9. In case the Chair delays or temporarily postpones the Shareholders' General Meeting contrary to the provisions in clause 8 of this Article, the Shareholders' General Meeting shall have the right to vote for any other participant to be the Chairman, who shall chair the session until it closes, and effectiveness of votes approved by that session shall not be affected.

Article 104. Adoption of resolutions by the Shareholders' General Meeting

1. The Shareholders' General Meeting shall adopt resolutions within its authority by voting during its sessions or by collecting written opinions.

2. Unless otherwise provided by the Charter, the adoption of resolutions on the following issues shall be voted during sessions of the Shareholders' General Meeting

- a) Supplement and amendment to the company's Charter;
- b) Approval of the company development directions;
- c) Decision of share types and total authorized shares of each type;
- d) Election, dismissal of members of the Board of Directors, and the Control Board;
- đ) Decision on investment or sales of property with the value equal or more than 50% of the total property value as stated in the most recent financial report of the company if the company's Charter does not stipulate other ratio;
- e) Approval of the annual financial report;
- g) Re-organization or liquidation of the company;

3. A resolution made by the Shareholders' General Meeting shall be passed upon satisfying the following conditions:

- a) Approved by no less than 65% of total votes of participating shareholders. The specific ratio shall be stipulated in the company's Charter.
 - b) Approved by no less than 75% of total votes of participating shareholders with respect to resolutions involving type of shares and a number of shares to be issued under each 63 type; amendments and supplements of the company's Charter; the reorganization and dissolution of the company; or investment, the investment, sale of 50% or more of the total value of assets recorded in the latest financial statement of the company except the company's Charter otherwise regulates. The specific ratio shall be stipulated in the company's Charter;
 - c) The voting for electing members of the Board of Directors and the Control Board will be implemented by the method of accumulatively calculating the votes, by which each shareholder shall have total votes equal to the votes acquired as the result of his/her share ownership being times the number of members of the Board of Management or of the Control Board to be selected, and that shareholder may decide to use all of his/her votes for one or several candidates.
4. The resolutions approved during the sessions of the Shareholders' General Meeting by shareholders and their authorized persons representing 100% of the voting shares shall be lawful and take immediate effect even in the case where the order and procedures of convention, the meeting agenda and the conducting procedures do not implement in accordance with the regulations.
 5. In a case where a resolution of the Shareholders' General Meeting proposes to be approved by collecting written opinions, such resolution shall be passed if approved by no less than 75% of the total votes. The specific ratio shall be stipulated in the company's Charter.
 6. Resolutions adopted by the Shareholders' General Meeting must be notified to shareholders eligible to attend sessions of the Shareholders' General Meeting within 15 days from the date of adoption thereof.

Article 105. Authority and procedures of collecting written opinions of shareholders to pass resolutions of the Shareholders' General Meeting

Unless otherwise provided by the Charter, the authority and procedure of collecting written opinions to pass resolutions of the Shareholders' General Meeting shall be carried out in accordance with the following provisions:

1. The Board of Management shall have right to seek shareholders' written opinions in order to pass resolutions of the Shareholders' General Meeting at any time, if necessary, for the benefits of the company.
2. The Board of Management shall prepare opinion sheets, drafted resolutions of the Shareholders' General Meeting and explanatory documents for the drafted resolutions. These will be sent by registered mail to the permanent residential address of each shareholder.
3. The opinion sheet shall have the main following contents;

- a) Name, address of head office, number and date of issuance of business registration certificate, place of business registration of the company;
- b) Purpose for collecting opinions;
- c) Full name, permanent residential address, nationality, ID number, passport number, or other legal individual certification number with respect to shareholders who are individuals; name, permanent residential address, nationality, establishment decision number or registration of shareholders or their authorized persons who are organizations; number of shares per type and number of votes of shareholders;
- d) Issues to be commented for the adoption of resolutions.
- đ) Voting proposals: “Yes”, “No” and “Blank”
- e) The deadline to send the filled-in opinion sheets to the company.
- g) Full name, signature of the Chairman of the Board of Management and the legal representative of the company.

4. Filled-in opinion sheets must be signed by individual shareholders, or by the authorized representative or the legal representative of shareholders being legal entities.

Filled-in opinion sheets must be put in sealed envelopes and no person shall have a right to open the envelopes before vote counting. Those filled-in opinion sheets that are sent to the company after the deadline provided in the opinion sheets or opened shall be considered improper.

5. The Board of Management shall count the votes and make the minutes in the presence of the Control Board or shareholders who do not hold management titles at the company.

The minutes of counting votes must contain the following contents:

- a) Name, head office address, business registration number and date, and business registration location;
- b) Purposes and issues for collecting opinions;
- c) Number of participating shareholders and total of votes, in which the proper and improper votes shall be clearly determined, and a list of participating shareholders shall be attached.
- d) Total number of votes that are “for”, “against” or “abstention” in regards to each of the issues;
- đ) Resolutions that are approved.
- e) Full name, signature of the Chairman of the Board of Management, the legal representative of the company, and the vote counting supervisors.

Members of the Board of Management and vote counting supervisors shall be jointly responsible for the accuracy and truthfulness of the minutes; and share liabilities for any losses resulted from approved resolutions due to inaccurate and dishonest vote counting results.

6. The minutes must be sent to all shareholders within 15 days from the completion date of vote counting. 65

7. All filled-in opinion sheets, vote counting minutes and full texts of the approved resolutions and related documents attached with opinion sheets must be filed at the company's head office.

8. Resolutions approved by collecting written opinions from shareholders shall have equally value as the resolutions approved at the sessions of the Shareholders' General Meeting.

Article 106. Minutes of sessions of the Shareholders' General Meeting

1. Any session of the Shareholders' General Meeting shall be recorded in a minute that shall be written in Vietnamese and may also be in foreign languages and shall contain the following essential contents:

- a) Name, address of the head office, number and date of business registration, place of registration.
- b) Time and venue of the session of the Shareholders' General Meeting;
- c) Meeting agenda and contents;
- d) The Chairman and secretary of the session;
- đ) Summary of the meeting progress and statements and speeches made during the session of Shareholders' General Meetings on each issue in the meeting agenda;
- g) Number of shareholders and total votes of the participating shareholders, attached with the annex of registration list of shareholder/shareholders' representatives to participate with respect to shares and voting rights;
- h) Aggregate number of votes with respect to each issue voted; in which clearly recorded the numbers of "for", "against" or "blank" votes, the respective proportion over the total votes;
- i) Approved resolutions;
- k) Full names and signatures of the Chairman and secretary.

The minutes written in Vietnamese and foreign language shall have equal legal value.

2. The minutes of the Shareholders' General Meeting shall be completed and approved before closing the meeting.

3. The chairman and the secretary will be jointly responsible for the honesty and accuracy of the minutes.

The minutes of the Shareholders' General Meeting will be sent to all shareholders within 15 days from the closing of the meeting.

The minutes of the Shareholders' General Meeting, annex of the list of shareholders registration, the whole text of the adopted resolutions and other materials attached with the meeting invitations shall be kept at the head office of the company. 66

Article 107. Request to cancel resolutions of the Shareholders' General Meeting

Within 90 days from the date of adoption of a resolution [of the Shareholders' General Meeting], any shareholder, member of the Board of Management or the Control Board, or

the (General) Director shall be entitled to file a petition requesting the Court or an Arbitrator to consider and cancel such resolution on the following cases:

1. Order and procedures of the convocation of the concerned session of the Shareholders' General Meeting fail to comply with stipulations of this Law and the company's Charter.
2. Such resolution of the Shareholders' General Meeting has one or more contents in breach of laws or the company's Charter.

Article 108. The Board of Management

1. The Board of Management shall act as the management body of the company, be fully authorised on behalf of the company to decide and exercise all the legitimate rights and benefits of such company, except those under the authority of the Shareholders' General Meeting.

2. The Board of Management shall hold the following rights and obligations:

- a) Determining the development strategy and medium term plan and the annual business plan of the company;
- b) Making proposals with regard to the types of shares and the total number of shares to be issued under each type;
- c) Deciding the issuance of new shares limited to the number of shares authorized to offer for each type; determine the additional raising of capital for the company through other means;
- d) Setting the price of shares and bonds issued by the company;
- đ) Determining the share repurchase as stipulated in clause 1 of [Article 91](#) of this Law;
- e) Making decisions on investment policies within the rights and limitation stipulated in this Law or the company's Charter.
- g) Making decisions on market promoting, marketing and technology solutions; approve all contracts of sales, purchase, borrowing, lending or any other types of contracts worth not less than 50% of the total value of assets recorded in the latest financial statement of the company, or a smaller ratio stipulated in the company's Charter except for contracts and transactions as stipulated in clause 1 and clause 3, [Article 120](#) of this Law;
- h) Appointing and dismissing the Director or General Director and other key managerial positions of the company as stipulated in the company's Charter, deciding salary and other benefits applied to such persons; appointing the authorized representative to exercise the ownership rights of shares or the rights of capital contribution in other companies, deciding allowances and other benefits to be applied to such persons.
- i) Supervising and guiding the Director or General Director and other managers in managing daily business activities of the company.
- k) Approving the organisational structure, internal rules and regulations within the scope of the company; make decisions on the establishment of branches, representative offices and subsidiaries thereof; deciding the contribution of capital to or buying of shares issued by other enterprises;

- l) Approving the agenda, materials used in sessions of the Shareholders' General Meeting, convene sessions of the Shareholders' General Meeting or carrying out the collection of written opinions for the purpose of passing resolutions of the Shareholders' General Meeting;
- m) Submitting annual financial statements of the company to the Shareholders' General Meeting;
- n) Making proposals on the amount of dividend paid, time and procedures for payment of such dividend or methods in settlement of losses incurred during the course of business operations;
- o) Making proposal with respect to reorganization, dissolution and bankruptcy of the company;
- p) Other rights and obligations as stipulated in this Law and the company's Charter.

3. The Board of Management may opt to have its resolutions adopted by means of voting at the sessions, by collecting written opinions or other means as stipulated in the company's Charter. Each member of the Board of Management shall hold a single vote.

4. When exercising the rights and obligations, the Board of Management has to comply with all provisions of law, the company's Charter and resolutions of the Shareholders' General Meeting. If resolutions adopted by the Board of Management are in breach of law or the company's Charter causing losses to such company, the members adopting resolutions will be jointly individually responsible for these resolutions and shall compensate the company's losses; members who oppose these resolutions shall be exempt from liabilities. In this case, every shareholder who continuously owns shares in the company for at least one year can request the Board of Management to suspend the exercise of such resolution.

Article 109. Terms and the number of members of the Board of Management

1. Unless otherwise provided in the company's Charter, the Board of Management shall consist of at least 3 members and no more than 11 members. The number of the members of the Board of Management residing in Vietnam stipulated in the company's Charter. The term of the Board of Management is 5 years. The term of members of the Board of Management shall not exceed 5 years and they can be re-elected with unlimited terms.
2. The Board of Management of the previous term will continue working until the new Board of Management will be elected and take over the management. 68
3. If a new member is additionally elected or replaces a dismissed member during the term, the term of this member will be the remaining term of the Board of Management.
4. Members of the Board of Managements are not necessarily the company's shareholders.

Article 110. Criteria and conditions becoming members of the Board of Management

1. Members of the Board of Management must fulfill the following criteria and conditions:
 - a) Having sufficient civil conduct capacity and falling outside the scope of subjects prohibited from business management as stipulated in this Law;

b) Any individual shareholder owns at least 5% of ordinary shares or other persons having expertise and experience in business managements or in any main industries that the company conduct business or criteria, conditions stipulated in the company's Charter;

2. For subsidiaries of companies which the State holds more than 50% of the charter capital, related persons of managers of and persons who have authority in appointing managers of the parent company shall not be elected as members of the Board of Management.

Article 111. Chairman of the Board of Management

1. The Shareholders' General Meeting or the Board of Management shall elect the Chairman of the Board of Management as stipulated in the company's Charter. In case of the Board of Management, it shall elect one among its members as the Chairman. The Chairman may hold at the same time the post of the Director or General Director unless otherwise stipulated by the company's Charter.

2. The Chairman of the Board of Management shall have the following rights and obligations:

a) Developing working programmes, plans for the Board of Management;

b) Preparing agenda, contents and materials for the meetings of the Board of Management, making convocation thereof and chair such meetings

c) Arranging for the adoption of resolutions by the Board of Management in alternative forms;

d) Monitoring the implementation of resolutions adopted by the Board of Management;

đ) Chairing sessions of the Shareholders' General Meetings;

e) Other rights and obligations as stipulated by this Law and the company's Charter.

3. Where the Chairman of the Board of Management is absent, members authorised by the Chairman of the Board of Management shall exercise the rights and obligations of the Chairman as stipulated in the company's Charter. In the event there is no such authorisation or the Chairman of the Board of Management is incapable, other members shall elect one among themselves to hold the temporary chairmanship of the Board of Management in conformity with more than half principle.

Article 112. The meeting of the Board of Management

1. The first meeting of the term of the Board of Management to elect the Chairman and adopt other resolutions within the authority shall be conducted within 7 working days from the closing for the election of the Board of Management for such term. This meeting is convened by the member with the highest votes. If there is more than one member having equal and highest votes, they shall make an agreement and appoint one of them to convene the meeting of the Board of Management.

2. The Board of Management can conduct a regular or an irregular meeting. The Board of Management can be held in the head office of the company or in another place.

3. Regular meetings of the Board of Management are convened by the Chairman at any time necessary, however, at least one meeting per quarter has to be conducted.

4. The Chairman of the Board of Management shall convene a meeting of the Board of Management if there is a written request of one of the following cases:

- a) The Control Board;
- b) The Director or General Director or at least 5 other managerial officers;
- c) At least 2 members of the Board of Management;
- d) Other cases as stipulated in the company's Charter.

The request must be made in writing in which clearly mention the objectives, issues to be discussed and decisions under the authority of the Board of Management.

5. The Chairman shall convene a meeting of the Board of Management within 15 days from the receipt of the request stipulated in clause 4 of this Article.

If the chairman fails to do so, the Chairman shall be responsible for damages caused for the company; and requesters can convene a meeting of the Board of Management to discuss and to make decision on the proposed issues.

6. If the company's Charter does not provide differently, the Chairman of the Board of Management or the person who convenes the meeting of the Board of Management has to send invitations at least 5 working days prior to the meeting. The invitation shall specify the time and venue, agenda, issues to be discussed and resolved. Relevant materials used in the meeting and voting-papers shall be attached to the invitations.

Invitations can be sent by post, fax, email or other means, however, they shall be ensured to reach the registered address of each member of the Board of Management in the company.

7. The Chairman of the Board of Management or the person calling for the meeting has to forward invitations and relevant materials to members of the Control Board and the Director or General Director, other members of the Board of Management.

Members of the Control Board, the Director or General Director, who are not members of the Board of Management can participate in all meetings of the Board of Management, have the right to discuss but not the right to vote.

8. A meeting of the Board of Management shall be deemed valid where attendance to such meeting covers more than 3/4 of members thereof.

Members who do not directly participate can vote by writing. The voting-papers shall be put in a sealed envelop and sent to the Chairman of the Board of Management at least 1 hour prior to the opening of the meeting. The voting-papers can only be opened in front of all participants in the meeting.

Resolutions of the Board of Management shall be adopted upon the agreement of the majority of participants; in the event there is equality to the numbers of contradicting votes, decision of the Chairman shall be the final one.

9. Members have to participate into all meetings of the Board of Management. Members may authorize another person to participate meetings of the Board of Management, if approved by the majority members of the Board of Management.

Article 113. Meeting Minutes of the Board of Management

1. All meeting minutes of the Board of Management shall be recorded in the minutes book. Minutes shall be in Vietnamese and possibly in foreign languages and shall consist of the following contents:

- a) Name, address of head office, number and date of issuance of business registration certificate, place of business registration;
- b) Objectives and meeting agenda and contents;
- c) Time and venue of meetings;
- d) Full name of each participant or of the authorized person, full name of absent members and reasons for absence;
- đ) Issues to be discussed and voted during meetings;
- e) Summary of opinions by each participant according to the order of the meeting progress;
- g) The voting result shall clearly states members who support, against and leave blank votes;
- h) Adopted resolutions;
- i) Full name, signatures of all members or authorized participants.

The Chairman and secretary of the meetings shall jointly be liable for the accuracy and honesty of a minute of the Board of Management.

2. Minutes of the Board of Management and materials used during meetings will be kept in the head office of the company.

3. The minutes made in Vietnamese and a foreign language shall have equal legal value.

Article 114. The right to be supplied information of members of the Board of Management

1. Members of the Board of Management are entitled to request from the Director or the General Director, the Deputy Director or the Deputy General Director, and other managing staff in different units of the company to provide information and documents with regard to the financial situation, business performance of various units in the company and of the company.

2. A person so requested shall be obliged to provide an in-time, adequate and accurate information, and materials in accordance with the request of members of the Board of Management.

Article 115. Exemption, dismissal of and supplement to members of the Board of Management

1. A member of the Board of Management shall lose the membership status under such circumstances as where:

- a) Not having sufficient criteria and conditions as stipulated in Article 110 of this Law;
- b) Not participating in meetings of the Board of Management for 6 consecutive months except for force majeure events;

- c) Submitting a letter of resignation;
- d) Other circumstances as provided in the company's Charter.

The Board of Management shall dismiss members, who lost membership status and report to the Shareholders' General Meeting at the next coming meeting.

2. Beside the cases stipulated in clause 1 of this Article, a member of the Board of Management could be dismissed at any time by a decision of the Shareholders' General Meeting.

3. Where the number of members of the Board of Management is reduced of more than 1/3 of the required number as stipulated in the company's Charter, the Board of Management shall convene a session of the Shareholders' General Meeting within 60 days in order to supplement new members.

In other cases, the first coming meeting of the Shareholders' General Meeting shall elect new members to replace dismissed or removed members of the Board of Management.

Article 116. The Director or the General Director

1. The Board of Management shall appoint one among its members, or hire others to act as the Director or the General Director of the company. The Director or the General Director shall act as the legal representative of the company if the company's Charter does not specify that the Chairman of the Board of Management shall so act.

2. The Director or the General Director shall manage the daily business operations of the company under the supervision of the Board of Management and be liable to the Board of Management and to law for his/her performance of assigned rights and obligations.

The term of the Director or the General Director can not exceed 5 years and can be re-elected with the unlimited terms.

The criteria of selection and appointment of the Director or the General Director shall be applied as stipulated in [Article 57](#) of this Law.

The Director or the General Director of the company can not be at the same time the Director or the General Director of another enterprise.

3. The Director or the General Director shall have the following rights and obligations:

- a) Making decisions on all matters arising from the normal business operations of the company, which do not require resolutions of the Board of Management.
- b) Arranging for the implementation of resolutions adopted by the Board of Management;
- c) Arranging for implementation of business and investment plans of the company;
- d) Making proposals as to the organizational structure plan and the internal management regulations of the company;
- đ) Appointing, dismissing or removing the managerial positions of the company, except those whose appointment, dismissal or removal are within the power of the Board of Management;

e) Determining the salary and other allowances (if any) for employees of the company, including those managerial positions whose appointment is within the power of the Director or the General Director;

g) Recruiting employees;

h) Recommending the plan of returning dividend or

g) Other rights and obligations as stipulated in this Law, the company's Charter and resolutions of the Board of Management.

4. The Director or the General Director shall manage the daily business operation of the company in accordance with the regulations of law, the company's Charter, the labor contract with the company and the resolutions of the Board of Management. If the management violates the above-mentioned regulations causing losses to the company, the Director or the General Director shall be individually responsible to law and shall compensate losses to the company.

Article 117. Remuneration, salary and other benefits of members of the Board of Management, Director or the General Director

1. The company shall have absolute discretion in paying allowance, salary for the members of the Board of Management, (general) director and other managers in accordance with the result and effectiveness of the business.

2. If the company's Charter does not differently regulates, the remuneration, salaries, and other benefits of the members of the Board of Management, (General) Director shall be paid according to the following regulations:

a) Members of the Board of Management will receive remuneration and bonuses. The remuneration is calculated based on the needed working days to complete the tasks of members of the Board of Management and the daily remuneration. The Board of Management estimates the remuneration for each member on the agreed principle. The total remuneration of the Board of Management shall be determined by the Shareholders' General Meeting in its regular meetings.

b) Members of the Board of Management can be reimbursed all expenses such as meals and accommodation, travel expenses and other reasonable expenses that they have to pay to fulfill their responsibilities as the members of the Board of Management.

c) The Director or the General Director receives salary and bonus. The salary of the Director or the General Director is determined by the Board of Management.

3. Honorarium of the Member of the Board of Management and salary of the Director or the General Director shall be calculated as the business cost of the company in accordance with provisions of law on corporate income tax and shall be showed as the separate item in the annual financial statement of the company; and shall be reported at the annual General Shareholder's Meeting.

Article 118. Disclosure of related benefits

1. Members of the Board of Management, members of the Control Board, the Director or the General Director and other managers of the company shall list all benefits related to them in the company including:

a) Name, address of head office, business lines, number and date of issuance of business registration certificate, location of business registration in which they have capital contribution or shares, proportion and time of holding such capital contribution or shares.

b) Name, address of head office, business lines, number and date of issuance of business registration certificate, location of business registration in which their related people individually or collectively holds capital contribution or shares greater than 35% of the charter capital.

2. Declaration mentioned in clause 1 of this Article shall be made within 7 working days from the date of obtaining related benefits; all supplements, changes, if any, shall be declared within 7 working days from the date of such respective supplements or changes.

3. Declarations as stipulated in clauses 1 and 2 of this Article shall be informed to the Shareholders' General Meeting during its regular meetings and shall be posted or kept in the head office of the company. All shareholders, authorized persons of shareholders, members of the Board of Management, the Control Board, the Director or the General Director shall have right to review the content of any declaration at any time if necessary.

4. Members of the Board of Management, the Director or the General Director on their personal behalf or on behalf of others to do any work, at any form within the scope of the business operations of the company shall explain the nature and contents of such work to the Board of Management and the Control Board and this can only be done with the approval of the majority of the remaining members of the Board of Management; if activities are implemented without declaration or approval of the Board of Management, all income generating from such activities shall belong to the company's ownership.

Article 119. Obligations of the company's managers

1. Members of the Board of Management, the Director or the General Director and any other managers of a company shall have the obligations:

a) Exercising rights and obligations assigned in accordance with this Law, related laws, the company's Charter, decision of the Shareholders' General Meeting.

b) Exercising all assigned rights and duties in honest, diligent and best manner to protect the optimal legitimate interests of the company and of its shareholders;

c) Loyal to the benefits of the company and of its shareholders; neither using information, know-how, business opportunities of the company, nor abusing titles, authorities and the company's assets to benefit himself/herself or for benefits of other organizations or individuals;

d) Providing timely the company sufficient and accurate information of the enterprise which they and related persons are the owners or the shareholders, controlling shareholders; this announcement is posted at the head office and the branch of the company.

2. Beside the obligations as stipulated in clause 1 of this Article, the Board of Management and the Director or the General Director shall not be entitled to salary increase, bonus when the company does not fully pay its due debts.
3. Exercising other obligations as stipulated by this Law and the company's Charter.

Article 120. Contracts, transactions subject to approval by the Board of Management or the Shareholders' General Meeting

1. Contracts and transactions between the company and the following entities shall be approved by the Shareholders' General Meeting or the Board of Management:

- a) Shareholders, authorized representatives of shareholders owning more than 35% of the ordinary shares of the company and their related persons;
- b) Members of the Board of Management, the Director or the General Director of the company;
- c) Enterprises stipulated in item a and b of clause 1, Article 118 of this Law and other related persons of the members of the Board of Management, the Director or the General Director.

2. Contracts and transactions with the value of less than 50% of the total asset value of the company as stated in the latest financial report or a minor rate as provided in the company's Charter. In this case, the legal representative of the company shall send a draft contract or inform the main content of intended transactions to all members of the Board of Management as well as posting them in the head office or branches of the company. The Board of Management will decide to whether or not approve such contracts or transactions within 15 days from the date of posting. The members who have benefits related to such contracts or transactions shall not have right to vote.

3. Other contracts and transactions, except for the provisions of clause 2 of this Article, shall be approved by the Shareholders' General Meeting. The Board of Management shall submit draft contracts or explain the main content of intended transactions during the meeting of the Shareholders' General Meeting or to collect written opinions of shareholders. In this case, shareholders related to such contracts or transactions can not vote and the contracts or transactions will be approved when shareholders representing 65% of the remaining votes approve.

4. If contracts signed or transactions are conducted without the approval as provided in clauses 2 and 3 of this Article, such contracts shall be invalid and will be handled according to law. The legal representative of the company, shareholders, members of the Board of Management or the Director or the General Director related to such contracts or transactions shall compensate for any incurred losses and return to the company all benefits from the exercise of such contracts or transactions.

Article 121. The Control Board

1. Unless otherwise provided in the company's Charter, the Control Board shall have 3-5 members; the term of the Control Board shall be no more than 5 years; the members of the Control Board can be re-elected with unlimited terms.

2. Members of the Control Board shall appoint one of them to be the Head of the Control Board. Rights and obligations of the head of the Control Board are stipulated in the company's Charter. More than half of the members of the Control Board must reside in Vietnam, and at least one member is an accountant or auditor.

3. At the end of the term and the Control Board of a new term has not been elected, the former Control Board can continue exercising rights and obligations until the new Control Board shall be elected.

Article 122. The criteria and conditions of members of the Control Board

1. Members of the Control Board shall meet the following criteria and conditions:

a) Being individual of 21 years old or more, having capacity of civil acts and not in the list of whom are prohibited to establish and manage enterprise as provided by this Law;

b) Not being spouse, father, adopted father, mother, adopted mother, child, adopted child, elder brother, elder sister, younger brother, younger sister of members of the Board of Management, the Director or the General Director and other managers;

2. Members of the Control Board may not hold the managerial positions in the company; shall not necessarily be shareholders or employees of the company.

Article 123. Rights and obligations of the Control Board

1. The Control Board shall monitor the management and control of the company conducted by the Board of Management and the Director or the General Director; be responsible in front of the Shareholders' General Meeting for the exercise of assigned obligations.

2. Verifying the reasonableness, lawfulness, trustworthiness and carefulness in business management and direction, accounting and statistical books, and financial statements.

3. Verify periodic business reports, annual and 6 month financial reports of the company, and evaluation report on the company's management of the Board of Management.

Submitting to the regular meetings of the Shareholders' General Meeting the appraisal report on the annual financial statements, annual business progress report of the company and the management evaluation report of the Board of Management.

4. Review accounting books and other materials of the company, or jobs specifically related to the management and direction of the company's activities at any time if necessary or by a resolution of the Shareholders' General Meeting, or at the request of shareholders or group of shareholders in accordance with the provisions of clause 2, [Article 79](#) of this Law.

5. If there is a request from one or a group of shareholders stipulated in clause 2 [Article 79](#) of this Law, the Control Board shall investigate within 7 working days from the date of receipt of such request. Within 15 days from the date of the investigation completion, the Control Board shall make explanation report on investigated issues and send the report to the Board of Management and the shareholders or the group of shareholders who have made the request.

The investigation of the Control Board stipulated in this clause shall neither prevent the normal operations of the Board of Management, nor intervene the normal business operations of the company.

6. Propose to the Board of Management or the Shareholders' General Meeting on measures to adjust and improve organizational and management structures of the company.

7. When members of the Board of Management, the Director or the General Director or other managers are discovered to violate the obligations of the company's manager as stipulated in [Article 119](#) of this Law and shall promptly inform the company's Charter the Board of Management and request the termination of such violation or/and solutions to overcome shall be provided.

8. Exercise other rights and obligations in accordance with the provisions of this Law and the company's Charter or in accordance with the resolutions of the Shareholders' General Meeting.

9. The Control Board shall have right to use independent consultants to execute the assigned obligations.

The Control Board can consult the opinions of the Board of Management before submitting reports, conclusions and recommendations to the Shareholders' General Meeting.

Article 124. Right to be provided with information of the Control Board

1. Invitations or collecting opinion sheets of the members of Board of Management and other attached documents shall be sent to the Control Board at the same time and in the same way as to the members of the Board of Management.

2. Reports made by the Director or the General Director submitted to the Board of Management and other relevant documents issued by the company shall be sent to members of the Control Board at the same time and in the same way as applied to members of the Board of Management.

3. Members of the Control Board shall have right to get access to all files, documents of the company, which are gathered and kept in the head office, branches of the company and other locations; have right to come to all locations where managers and employees of the company work.

4. The Board of Management and members of the Board of Management, the Director or the General Director must report, provide fully and in time information and documents on the management and supervision of the company's business operations at the request of the Control Board.

Article 125. Remuneration and other benefits for members of the Control Board

Unless otherwise provided by the company's Charter, the remuneration and other benefits of the Control Board members shall be implemented in accordance with the following provisions:

1. Members of the Control Board shall receive remuneration for the work done and other benefits according to the resolutions of the Shareholders' General Meeting. The total

remuneration and the annual budget operations for the Control Board will be determined by the Shareholders' General Meeting based on estimated number of working days, amount and nature of work, the average daily remuneration of members.

2. Members of the Control Board shall be paid for meals, accommodations, travel expenses and fees for hiring independent consultants at appropriate level. The total remuneration and expenses can not exceed the total annual budget for operations of the Control Board 78

approved by the Shareholders' General Meeting unless the Shareholders' General Meeting has a different decision.

3. Remuneration and operations expenses of the Control Board shall be recorded to the business expenses of the company in accordance with laws on corporate income tax and shall be presented in a separate item of the company's annual financial statement.

Article 126. Obligations of Control Board members

1. Complying with law, the company's Charter, the resolutions of the Shareholders' General Meeting, the professional ethics in executing assigned rights and obligations as members of the Control Board.

2. Exercising assigned rights and obligations with the trustfulness, in the best way and with the carefulness, which owned by any normal person in the similar position and expertise in order to ensure the legitimate optimal benefits of the company.

3. Not using information, know-how, business opportunities of the company; not abusing position and power, and not using the company's assets and capital for his/her own benefits or of benefits of others.

4. Other obligations as stipulated in this Law and the company's Charter.

5. If members of the Control Board violate obligations stipulated in clauses 1, 2, 3 and 4 of this Article causing losses to the company or others, such members of the Control Board shall be individually or jointly responsible for compensating such losses.

Every income and other benefits gained directly or indirectly by members of the Control Board from violating regulations stipulated in clause 3 of this Article will be returned to the company.

6. In case where the violation of members of the Control Board in the execution of the assigned rights and duties is discovered, the Board of Management shall notify in writing to the Control Board as well as propose solutions; request the violator to stop their violation actions and giving solutions to overcome consequences.

Article 127. Dismissal, discharge of members of the Control Board

1. Members of the Control Board can be dismissed or discharged in following cases:

a) No longer having sufficient qualifications as stipulated in [Article 122](#) of this Law;

b) Not exercising their rights and obligations for 6 consecutive months without approval from the Control Board;

c) Having letter of resignation;

- d) Other cases as stipulated by the company's Charter.
2. Beside the stipulations of clause 1 of this Article, members of the Control Board can be dismissed at any time according to the resolution of the Shareholders' General Meeting.
 3. If the Control Board seriously violates its obligations, which probably cause losses to the company, the Board of Management shall convene the Shareholders' General Meeting to consider and dismiss the on-going Control Board and elect a replacing one.

Article 128. Submission of the annual report

1. By the end of a fiscal year, the Board of Management shall prepare and send to the Control Board the following reports and materials for appraisal:

- a) Report on the business operation of the company;
- b) Financial statements;
- c) Evaluation report on the management and administration of the company;

2. For a shareholding company that is required to be audited by law, annual financial statements of such shareholding company must be audited before submitting to the Shareholders' General Meeting for approval.

3. The reports and materials stipulated in clause 1 of this Article shall be sent to the Control Board at least 30 days prior to the opening of the regular meetings of the Shareholders' General Meeting unless otherwise provided by the company's Charter.

4. Reports and documents prepared by the Board of Management together with the appraisal report of the Control Board and the auditing report shall be available at the head office of the company and its branches at least 7 working days prior to the opening of the regular meeting of the Shareholders' General Meeting unless otherwise provided by the company's Charter.

All shareholders, who hold shares of the company for at least 1 consecutive year, shall have the right to review the above-mentioned reports at an appropriate time by themselves or with their lawyers, or certified auditors or accountants.

Article 129. Disclosure of information as to shareholding companies

1. A shareholding company shall forward its annual financial statement already approved by the Shareholders' General Meeting to the competent State Agency in accordance with the law on accounting and related laws.

2. A brief summary of the annual financial statement of the company shall be notified to all of its shareholders.

3. Any individual or organization shall be entitled to have access to or make copies of the summary of the annual financial statements of a shareholding company at the competent business registration body. 80

CHAPTER V: PARTNERSHIP

Article 130. Partnerships

1. A partnership is an enterprise in which:
 - a) There are no less than two partners who are joint owners of the company, jointly conduct business under one common name (hereby so called general partners); besides general partners, there may also be limited partners;
 - b) General partners to a partnership shall be individuals and liable for all enterprise liabilities with his/her own entire property;
 - c) Limited partners shall bear debts of the partnership only to the extent of their capital contribution to the enterprise.
2. A partnership will have the legal entity from the date of the receipt of its business registration certificate.
3. A partnership shall not issue any type of securities.

Article 131. Making capital contribution and the issuance of capital contribution certificate

1. General partners and limited partners shall make capital contribution in full and on time as committed.
2. If a general partner does not contribute capital in full and in time as committed, which causes losses to the company, such and only such partner will be responsible for compensating losses to the company.
3. If a limited partner does not contribute capital in full and in time as committed, the unpaid capital will be considered as a debt of such partner to the company; in this case, such limited partner shall be excluded from the company at the decision of the Board of partners.
4. At the time of making full capital contribution, partners shall be granted a certificate of capital contribution. A certificate of capital contribution shall have the following main contents:
 - a) Name, address of head office of the company;
 - b) Number and date of the issuance of the business registration certificate;
 - c) Charter capital of the company;
 - d) Name, permanent residential address, nationality, ID, passport or other legal individual certification of partners; types of partners;
 - đ) Value of contributed capital and type of assets contributed to capital of partners; 81
 - e) Number and date of issuance of capital contribution certificate;
 - g) Rights and obligations of the owner of the certificate of capital contribution;
 - h) Full name, signature of the owner of the certificate of capital contribution and all general partners of the company.

5. If the certificate of capital contribution is lost, torn, burnt or destroyed under other forms, partners of the company shall be entitled to be re-issued of a new certificate.

Article 132. Property of a partnership includes:

1. Asset contributions by partners, which have been transferred to the company's ownership.
2. Assets generated by the company.
3. Assets generated from any business operations by partners using the company's name or from any business operations within the business of the company, which is implemented and on behalf of general partners.
4. Other assets in accordance with law.

Article 133. Restrictions to rights of general partners

1. A general partner can not be an owner of a private enterprise or a general partner of other partnerships unless otherwise agreed by the general partners.
2. General partners cannot conduct the same business of the partnership whether on behalf of themselves or others for their personal purposes or of others.
3. Without approval from all remaining general partners, general partners cannot transfer a portion or the whole of their capital contribution in the company to others.

Article 134. Rights and obligations of general partners

1. General partners have rights to
 - a) participate in meetings, discuss and vote to all issues in the company; each general partner has one vote or other votes as stipulated in the company's Charter;
 - b) On behalf of the company, conduct normal business activities of within the registered business industry of the company; negotiate and sign contracts, enter into agreements with the conditions which the general partner considers to be the best to the company;
 - c) Use the company's seal and property to execute the business operations within the company's registered industry and the day-to-day activities; if money is advanced by a partner to conduct the company's business, he/she can request the company to return the principal and interest of the advanced money at the market interest rate;
 - d) Request the company to cover the loss or damages from conducting business operations within their powers if such losses or damages incurred not due to mistakes of thereof partners;
 - đ) Request the company or any other general partners to provide information on the company's business operations; investigate assets, accounting books and other documents of the company at any time if necessary;
 - e) Receive profits sharing pro rata with the proportion of capital contribution or agreed as stipulated in the company's Charter;
 - g) Receive a portion of the remaining equity with respect to the capital contribution if the company's Charter does not provide for another ratio when the company is liquidated;

h) If a general partner is dead or declared to be dead by the Court, the heir – by the will or the law, to such partner shall receive the portion of asset, which the deceased partner shall be entitled to receive after his/her debt to the company has been paid. The heir can become a general partner if accepted by the Members' Council.

i) Other rights as stipulated in this Law and the company's Charter.

2. General partners shall have the following obligations:

a) Managing and supervising business operation with trustworthiness and with carefulness and in the best manner to ensure the legal optimal benefits of the company and of all partners.

b) Manage business activities of the company in accordance with the stipulations of law, the company's Charter and the resolutions of the Members' Council. General partners, who violate the above-mentioned contents of this point causing damages to the company shall be responsible for compensating such damages to the company.

c) Not using the company's property for making benefits of themselves or others;

d) If a general partner by using the company's name or on behalf of his/herself or any others receives money or other assets from activities within the company's operations and do not return to the company within an appropriate time for any reason, (s)he will have to return the money and assets received and make compensation for any losses caused to the company.

đ) If the property of the company cannot be used to pay off all the company's debt, general partners shall jointly pay off all the remaining debts. In this case, creditors can ask any general partner to pay the debts for the company.

e) If the company makes business loss, general partners will be responsible for losses pro rata to their capital contribution to the company or upon agreement stipulated in the company's Charter.

g) A monthly trustworthy and accurate report shall be made in writing to inform the company their business progress and results and provide information on their [business] progress and results to partners who have a request.

h) Other obligations as stipulated in this law and the company's Charter.

Article 135. Members' Council

1. All partners shall form the Members' Council. The Members' Council will select one of the general partners to be the Chairman of the Members' Council cum the Director or the General Director unless otherwise provided by the company's Charter.

2. Any general partners shall be eligible for convening meetings of Members' Council, if necessary, to discuss and determine any business activities of the company. Partners, who convene the meeting shall prepare the content, agenda and materials for the meeting.

3. The Members' Council shall determine all issues and business operations of the company. If the company's Charter does not provide otherwise, decisions on the following issues shall be approved by at least three fourth of all general partners:

a) company's development directions;

- b) amendment and supplement to the company's Charter.
 - c) enrolment of new general partners;
 - d) acceptance of the withdrawal of general partners from the company or decision on the removal of members from the company;
 - đ) decision on investment plan;
 - e) decision on lending, borrowing under other forms with the value higher or equal 50% of the company's Charter capital unless the company's Charter provides otherwise.
 - g) decision on purchase, selling assets with the value equal or greater than the company's Charter capital unless the company's Charter provides other proportion.
 - h) decision on approval of the annual financial statement and total profits and profits granted to each partner;
 - i) decision on the company's liquidation;
4. If the company's Charter does not provide otherwise, decisions on other issues, which are not stipulated in clause 3 of this Article, shall be approved if more than 2/3 of general partners accept; the exact rate is stipulated in the company's Charter.
5. The right to vote of members who contribute capital is stipulated by this Law and the company's Charter.

Article 136. Convene a meeting of the Members' Council

1. The Chairman of the Members' Council can convene a meeting of the Board of Members at any time if necessary or upon request of general partners. In case the Chairman of the Members' Council does not convene a meeting at the request of the general partner, such partner can convene a meeting of the Members' Council.

2. Convening may be by invitation, telephone, fax, telex, or other electronic means. The content shall include the purpose, requirements and content, agenda, place of meetings and the name of the partner, who request for convention of the meeting.

Materials used for determining issues as stipulated in item 3 [Article 135](#) of this Law should be forwarded in advance to all partners. The time-limit for sending such material shall be determined by the company's Charter.

3. The chairman of the Members' Council or partners who convene the meeting shall chair the meeting. All meetings of the Members' Council shall be recorded in the minute-book of the company. The content of the minute shall have the following main contents:

- a) Name, address of the head office, number and date of business registration, place of business registration;
- b) Purpose, meeting agenda and contents;
- c) Time and venue of meetings;
- d) Full name of the Chairman, participated partners;
- đ) Opinions, discussion of participated partners;

- e) Adopted resolutions, number of partners who accept and the main content of those resolutions;
- g) Full name, signatures of all participated partners.

Article 137. Business management of a partnership

1. All general partners shall have right to be legal representatives of the partnership; shall organize and conduct daily business activities of the company. Any restriction to general partners in conducting daily business activities of the company shall only have effect to the third party if such person knows or must know such restriction.

2. In managing business activities, general partners shall divide duties for managing and supervising the company.

When some or all general partners jointly conduct a business activity, the decision will be made on the principle of majority.

Any activity outside the scope of the normal business operations in the company's registered industry and is conducted by any partner shall not fall within the responsibilities of the company unless otherwise it is accepted by the remaining partners.

3. The company can open one or several accounts with a bank. The Members' Council appoints one authorized person to deposit and withdraw money from those accounts.

4. Chairman of the Members' Council cum the Director or the General Director of the company has the following duties:

- a) managing and controlling daily business operations of the company as a general partner;
- b) convening and organizing meetings of the Members' Council; sign decisions or resolutions of the Members' Council.
- c) Assigning, and coordinating business operations among partners; signing decisions on rules, regulations and other internal arrangements of the company;
- d) Arranging, keeping in full and trustfully all accounting books, invoices, and documents of the company according to the legal regulations.
- đ) Representing the company in working with state agencies; represent the company as a plaintiff or a defendant in lawsuits or in other commercial disputes;
- e) Other duties as stipulated in the Company's charter.

Article 138. Termination of general partner status

1. A general partner status shall be terminated in one of the following cases:

- a) Voluntary withdrawal of capital from the company;
- b) Dead or being declared dead by the court;
- c) Missing or restricted or lost capacity of civil acts;
- d) Fired from the company;
- đ) Other cases stipulated by the company's Charter.

2. General partners can withdraw capital from the company if all other remaining general partners accept. In this case, partners, who want to withdraw capital from the company shall notify in writing the capital withdrawal request at least 6 months in advance; and capital shall only be allowed to be withdrawn at the end of the fiscal year and the financial statement of such fiscal year has been approved.
3. General partners shall be fired from the company in the following cases if other remaining general partners agree:
 - a) They are not able to contribute capital or do not contribute capital as committed after the company has sent the second notification;
 - b) Violate [Article 133](#) of this Law;
 - c) Do not conduct business activities trustfully and carefully or have inappropriate behaviors causing serious losses to the company's and others partners' benefits;
 - d) Do not exercise correctly obligations of general partners.
4. In case of being restricted or lost capacity of civil acts; the capital contribution of such member will be returned fairly and properly.
5. Within 2 years from the date of terminating the general partner status as stipulated in point a and d of clause 1 of this Article, partners withdrawing from the company shall still be jointly responsible for the company's debts occurring prior to their termination date by their entire equity. 86
6. After the termination of the general partner's status, if the name of such partner has been used as a part or the whole name of the company, such partner can request the company to stop the usage of that name.

Article 139. Enrolment of new partners

1. The company can receive one or more general partners or limited partners. The new comers shall become general partners or limited partners upon approval of all general partners.
2. A new general partner or limited partner shall make full capital contribution to the company within 15 days from the date of acceptance, unless otherwise the Members' Council decides otherwise.
3. New general partners shall jointly be responsible for all liabilities and other obligations of the company by their entire equity unless otherwise new partners and the remaining partners agree otherwise.

Article 140. Rights and obligations of limited partners

1. Limited partners shall have the rights to
 - a) Participate in meetings, discuss and vote in the Members' Council on the amendment, supplement to the company's Charter, supplement and amendment to rights and obligations of limited partners, re-organization and liquidation of the company, other content of the company's Charter that is directly relative to their rights and obligations;

- b) Receive profits sharing pro rata the proportion of capital contribution in the company's Charter capital;
- c) Receive the annual financial statement of the company; request the Chairman of the Members' Council, general partners to provide fully and trustfully information on business progress and results of the company; review accounting books, minute book, contracts, files and other relevant documents issued by the company.
- d) Freely transfer their capital contribution in the partnership to others;
- đ) Conduct the same business of the company on behalf of themselves or others;
- e) Freely transfer, give, present, mortgage and pledge their capital contribution in the company to other partners or non-partners of the company; if an individual partner is dead, the heir or the replacing person of the deceased partner shall become the limited partner of the company;
- g) To be distributed a part of the remaining assets corresponding to its equity ratio in the partnership's charter capital when the partnership is dissolved or bankrupt;
- h) Other rights as stipulated in this Law and the company's Charter. 87

2. Obligations of limited partners:

Limited partners are obliged to:

- a) Be responsible for debts and other property of the company within the committed capital;
- b) May neither manages the company nor conduct business activities on behalf of the company;
- c) Comply with the company's Charter, regulations and resolutions of the Members' Council.
- d) Other obligations as stipulated in this Law and the company's Charter.

CHAPTER VI: PRIVATE ENTERPRISE

Article 141. Private enterprises

1. A private enterprise is an enterprise owned by an individual who is liable for all of its operations with his/her entire property.
2. A private enterprise may not issue any kinds of securities.
3. Each individual shall only be entitled to establish one private enterprise.

Article 142. The amount of investment capital of the proprietor

1. The amount of investment capital of a private enterprise shall be declared by the owner thereof. The owner shall be obliged to notify exactly the total amount of investment capital, in which the amount of Vietnam dong, of freely convertible foreign currency, of gold, and of other assets shall be clarified; as to other assets, types, quantity and remained valued thereof shall be made clearly.

2. All invested funds and assets including borrowed money and leased property, once employed for business operations of the enterprise, shall be fully reflected in accounting records and the balance sheet thereof according to law.

3. During the course of business, the owner of a private enterprise is entitled to make an addition to or withdrawal from his/her current investment into the enterprise that shall be so reflected in the accounting records thereof. Where the remaining capital after being withdrawn is less than the registered amount, the owner shall be so doing only after notifying the Business registration body of such event.

Article 143. Management of private enterprises

1. The owner of a private enterprise has the full decision-making power on any business operation therein and the distribution of its profits after payment of taxes and other financial obligations as provided by law.

2. The owner may directly manage and run the business of the enterprise or employ a person other than him/herself to do so. Where the latter is the case, the owner shall so notify the Business registration body and remain fully liable on his/her own for all the business operations of the enterprise.

3. The owner of any private enterprise shall be plaintiff, defendant, or the person who has related rights, interests, and obligations before Arbitration tribunals or Courts in all disputes relating to the enterprise.

4. The owner shall act as the legal representative of the enterprise.

Article 144. Leasing of private enterprises

The owner of a private enterprise is entitled to lease his/her entire business, provided the owner shall, in writing, so notify the Business registration body and the Tax agency and such written notification shall be enclosed with a notarised duplicate of the leasing contract. During the lease term, the owner shall remain liable for the enterprise as its owner. Rights and obligations of the owner and the lessee with respect to operations of the enterprise shall be defined in the leasing contract.

Article 145. Sale of a private enterprise

1. The owner of a private enterprise is entitled to sell his/her enterprise to another. No less than 15 days before the transferring date of the enterprise, the owner shall notify in writing the Business registration body of such act. The notice shall include name, head office of the sold enterprise; name and address of the buyer; the total amount of outstanding debts of the enterprise; name, address, and the amount of debts of each creditor, the date of payment to each creditor; labor contract and other contracts that have been concluded but not yet completed and methods of settlement of such contracts.

2. The owner, after the date of selling his/her enterprise, shall still be liable for all debts and other liabilities of the enterprise that were not handled, unless otherwise agreed by the buyer, the seller, and the creditors thereof.

3. The seller and the buyer thereof shall comply with regulations of law on labor.

4. The buyer thereof shall re-register the business in conformity with provisions as provided by this Law.

Chapter VII: GROUP OF COMPANIES

Article 146. Group of companies

1. Group of companies is a group of companies with the long term relationship in terms of economic interests, technology, market and other business services.
2. Group of companies comprises the following forms:
 - a) Parent company and subsidiaries;
 - b) Economic corporation;
 - c) Other forms.

Article 147. Rights and responsibilities of the parent company toward its subsidiaries

1. Depending on the legal form of a subsidiary, the parent company shall exercise rights and obligations as a member, an owner or a shareholder in relation with subsidiaries with respect to the provisions of this Law and related laws.
2. Except cases provided in clause 1 of this Article, all contracts, transactions and other relationship between the parent company and its subsidiaries shall be created and implemented equally at the conditions applied for independent legal subjects.
3. In case the parent company interferes beyond its authority as the owner, as the member or shareholder, and forces the subsidiaries to carry out business activities that run in counter with normal business activities or to conduct not-for-profit activities without proper compensation in the fiscal year, the parent company must be liable for the damage.
4. Managers of the parent company shall be responsible for making intervention or forcing the subsidiaries to conduct business activities prescribed at clause 3 of this Article, and be jointly liable with the parent company for such losses.
5. If the parent company shall not make compensation to its subsidiary as provided in clauses 3 of this Article, the creditors or shareholders, who hold at least 1% of the subsidiary's charter capital, on behalf of themselves or subsidiaries can request the parent company to pay for any losses caused to its subsidiary.
6. In case when the business operations as stipulated in clause 3 of this Article, a subsidiary makes profits for another subsidiary of the same parent company, such subsidiary shall jointly with the parent company responsible for returning profits to the subsidiary suffering from losses.

Article 148. Financial statement of the parent company and its subsidiary

1. By the end of the fiscal year, beside the reports and documents as stipulated by law, a parent company shall have to make the following additional reports:
 - a) Consolidated financial report of the whole group of companies in accordance with the law on accounting;

- b) Annual consolidated report on business results of the group of the companies;
 - c) Consolidated report on management of the group of companies.
2. Who is responsible for making reports provided in clause 1 of this Article shall not make or submit such reports if he/she does not receive all financial statements from all subsidiaries. 90
 3. Upon request from the legal representative of the parent company, the legal representatives of its subsidiaries has to provide reports, documents and necessary information as stipulated for making consolidated reports for the whole company.
 4. If do not know or there is no doubt that there is inaccurate, fake or wrong information on the reports made and submitted by subsidiaries, the manager of the parent company can use these reports to make a consolidated report for the whole group.
 5. If the manager of the parent company has used all necessary methods within his/her power but do not receive reports, materials and information needed from subsidiaries, managers from the parent company still make and submit consolidated reports of the whole group. The report can consist of or exclude information from such subsidiaries, however, necessary explanation shall be made to avoid misunderstanding or wrong understanding.
 6. All reports, financial final accounting documents of the parent company, subsidiaries and all consolidated reports of the whole group shall be kept in the head office of the parent company. Copies of all such reports, materials and information shall be available in all branches of the parent company in the territory of Vietnam.
 7. For subsidiaries, beside reports, reports stipulated by law, it shall have to make and submit a consolidated report on sale, purchase and other transactions with the parent company.

Article 149. Economic corporation

An economic corporation is a group of companies with a large scale. The Government shall stipulate criteria, management and operations of the economic corporation.

CHAPTER VIII: REORGANISATION, DISSOLUTION, AND BANKRUPTCY OF ENTERPRISES

Article 150. Division of enterprises

1. Limited liability companies and shareholding companies can be divided into several enterprises of the same type.
2. Division of a limited liability company or a shareholding company shall be conducted in the following procedures:
 - a) A decision as to the division of a limited liability company or a shareholding company shall be subject to adoption by the Members' Council, the company owner, or the Shareholders' General Meeting in conformity with this Law and the company's Charter. Such a decision shall contain the following principal contents such as name and head office of the divided enterprise; name of enterprises formed; principles and procedures for the

division of the enterprise assets, the human resources plan; the duration and procedures as to the conversion of capital contribution, shares and bonds of the divided company into newly formed ones; principles and procedures as to the settlement of obligations of such divided enterprise; duration for such division. Within 15 days from the date of such adoption, the decision so adopted shall be forwarded to all creditors and employees of the divided entity.

b) Members, the owner, or shareholders of the divided companies shall adopt the Charter thereof, elect or appoint the Chairman of the Members' Council, the Chairman of the company, the Board of Management, the Director or the General Director; and proceed with business registration as provided by this Law. If it is the case, the file for business registration shall be accompanied by the decision as to the division as stipulated in item (a) of this clause.

3. The divided company shall terminate its existence after the completion of the newly-formed companies' business registration, the newly-formed companies shall jointly be liable to the outstanding debts, labor contracts, and/or other liabilities born by such divided company or discuss with debtors, clients and employees to let one of the newly-formed companies to carry these obligations.

Article 151. Separation of enterprises

1. Separation of a limited liability company or a shareholding company is the transfer of a portion of the assets of the existing company (hereinafter called the separated company) into one or more newly-formed one(s) [hereinafter called the separating company(ies)]; a proportion of rights and liabilities shall be transferred from the separated company to the separating company(ies) without causing the winding up of the former.

2. Separation of a company, either of limited liability or shareholding nature, shall be proceeded as follows:

a) A decision on the separation of a limited liability company or a shareholding company shall be subject to adoption by the Members' Council, the company owner, or the Shareholders' General Meeting in conformity with this Law and the company's Charter. Such decision shall consist of the following main contents such as name and head office of the separated company; the name of the separating company(ies); plan of labor usage; assets value; rights and obligations to be transferred from the separated company to the separating company(ies); duration for conducting such separation. A decision as to such separation shall be notified to all creditors and employees thereof within 15 days from the date of adoption of such decision;

b) The members, the owner, or the shareholders of the separating company shall adopt the Charter thereof, elect or appoint the Chairman of the Members' Council, the Chairman of the company, the Board of Management, the Director or the General Director, and proceed with business registration as provided by this Law. If it is the case, the file for business registration shall be accompanied by the decision on separation as stipulated in item (a) of this Clause.

3. After the completion of business registration, the separated company and the separating company(ies) shall jointly be liable to the outstanding debts, labor contracts, and/or other 92

liabilities born by such separated company(ies) except when separated company(ies), newly established companies, creditors, customers and employees of the separated company(ies) have made different agreements.

Article 152. Consolidation of Enterprises

1. Two or more companies of the same type (hereinafter called the consolidated companies) can be consolidated to form a new company (hereinafter called the consolidating company) by means of transferring all legal assets, rights, liabilities, and interests into the consolidating simultaneously with the winding up of the consolidated companies.

2. A consolidation shall be proceeded as follows:

a) The consolidated companies prepare the consolidation contract. The contract so prepared shall include the following principal contents: names and address of head offices of the consolidated companies; name and address of the consolidating company; procedures and conditions for the consolidation; plan of labor usage; duration, procedures and conditions as to the transferal of assets; conversion of members' capital contribution, shares and bonds of the consolidated companies into those of the consolidating company; duration for executing such consolidation; draft of the Charter of the consolidating company;

b) Members, the owner, or shareholders of the related companies shall adopt the consolidation contract, the Charter thereof, elect or appoint the Chairman of the Members' Council, Chairman, Management Board, Director or General Director of the consolidating company and conduct business registration for the consolidating company as provided by this Law. If it is the case, the file for business registration shall be accompanied by the consolidation contract; the consolidation contract shall be forwarded to all creditors and shall be notified to employees within 15 days from the date of adoption;

3. In case of consolidation according to which the consolidating company has the market share from 30% to 50% of the related market, the legal representative of the consolidated company shall notify the competition management bodies before proceeding the consolidation, unless otherwise provided by the competition law.

The consolidation which results in the consolidating company having more than 50% market share of the related market shall be prohibited, unless otherwise stipulated by the competition law.

4. After the completion of business registration of the consolidating company, the consolidated companies are wound up; the consolidating company shall enjoy the legal rights and interests, and be liable for the outstanding debts, labor contracts, and/or other liabilities born by such consolidated companies.

Article 153. Merger of enterprises

1. One or more companies having the same nature (hereinafter called merged company) can merge with another company (hereinafter called merging company) by means of transferring of all legal assets, rights, liabilities and interests to the merging company with the winding up of the merged company.

2. Process of a merger of companies shall be as follows:

a) Related companies shall prepare a merger contract and the draft charter of the merging company. The contract so prepared shall include the following principal contents: names and address of head offices of the merging company; name and address of the merged company; procedures and conditions for the merger; plan of employment of labour; duration, procedures and conditions for the transfer of assets, conversion of members' capital contribution, shares and bonds of the merged company into those of the merging company; duration for performance such merger;

b) Members, owner or shareholders of the related companies shall approve the merger contract, the Charter thereof the merging company and conduct business registration for the merging company as provided by this Law. If it is the case, the file for business registration shall be accompanied by the merger contract. The merger contract shall be forwarded to all creditors and shall be notified to employees within 15 days from the date of approval;

c) After the completion of business registration, the merged company shall terminate its existence; the merging company shall enjoy the legal rights and interests, be liable for the outstanding debts, labor contracts, and other liabilities born by such merged company.

3. In case of merger according to which the merging company has the market share from 30% to 50% of the related market, the legal representative of the company shall notify the competition management bodies before proceeding the merger, unless otherwise provided by the competition law.

The merger which results in the merging company having more than 50% market share of the related market shall be prohibited, unless otherwise stipulated by the competition law.

Article 154. Transformation of companies

A limited liability company can be transformed into a shareholding company or vice versa. Such transformation of a limited liability company, or a shareholding company (hereinafter called the transformed company) into a shareholding company, or a limited liability company (hereinafter called the transforming company) shall be made in compliance with the following regulations:

1. The Members' Council, the company's owner, or the Shareholders' General Meeting shall adopt the resolution of transformation and the Charter of the transformed company. A resolution of transformation so adopted shall consist of the following major contents: name and address of head office of the transformed company; name and address of head office of the transforming company; duration and conditions as to the transferal of assets and conversion of capital contribution, shares, and bonds of the transformed company into those of the transforming company; plans of labor usage; duration for executing such transformation;

2. The resolution of such transformation shall be forwarded to all creditors and shall be notified to employees within 15 days from the date of adoption;

3. The transforming company shall be registered in conformity with provisions of this Law. If it is the case, the file for business registration shall be accompanied by the resolution of such transformation.

After the completion of business registration, the transformed company wound up. The transforming company shall enjoy the legal rights and interests, and be liable for the outstanding debts, labor contracts, and/or other liabilities born by the transformed company.

Article 155. Transformation of a one-member limited liability company

1. Where the owner of a single-member limited liability company makes a transfer of a part of the company's charter capital to other organisations and/or individuals, such owner and the transferee(s) thereto, within 15 days from the date of transfer, shall register the change of the company's number of members with the Business registration body. As of registering such change in the number of members as provided in this clause, the company shall be managed and operated in compliance with provisions as to limited liability companies with 2 or more members.
2. Where the owner of a single-member limited liability company makes a transfer of the whole of its company's charter capital to an individual, such owner, within 15 days from the date of completion of transfer, shall make a request to the Business registration body to change the company's owner and organization of management and operation in accordance with the provisions on a limited liability company with single member being an individual.

Article 156. Postponement of business

1. An enterprise shall have the right to postpone its business but must inform the business registration and tax bodies in writing in terms of the time and duration of postponement or continuation of business at least 15 days prior to the date of postponement or continuation of business.
2. The business registration body, the state competent agencies shall have the rights to request enterprises to postpone to conduct conditional business lines when knowing that the enterprise does not fulfill all conditions as stipulated by law.
3. During the duration of postponement of business, enterprises must pay the remaining outstanding taxes, continue to pay outstanding debts, finishing the performance of the contract signed with clients and employees, unless otherwise agreed by enterprise creditors, clients and employees.

Article 157. Circumstances and conditions for dissolution of enterprises

1. An enterprise shall be dissolved in one of the following cases:
 - a) Termination of the operation duration as stated in the company's Charter for which there is no resolution to renew;
 - b) Where a decision is made by the proprietor of private enterprises, by all general partners of partnerships, or by the Members' Council, the company owner of limited liability companies, or by Shareholders' General Meeting of shareholding companies.
 - c) Where a company or a partnership no longer satisfies the minimum number of members as required by this Law in 6 consecutive months.
 - d) Where there is a withdrawal of the certificate of business registration.
2. An enterprise shall only be dissolved upon paying all debts and other asset obligations.

Article 158. Dissolution procedures

An enterprise shall be dissolved in compliance with the following provisions:

1. Adopting a resolution for such business dissolution. A resolution so adopted shall include the following principal contents:

- a) Name and address of head office of the enterprise;
- b) Reasons for such dissolution;
- c) Duration and procedures for liquidation of contracts and payment of the enterprise's debts; such duration for payment and liquidation shall not exceed 6 months from the date of adoption of the dissolution resolution;
- d) Methods for handling liabilities arising from labor contracts;
- e) Full name, signature of the legal representative of the enterprise.

2. Owners of private enterprises, the Members' Council or company's owners, the Board of Management shall directly organize the liquidation of enterprise's assets unless the company's Charter stipulates that it should set up a liquidation committee.

3. Within 7 working days from the date of adopting the dissolution resolution, such resolution shall be forwarded to the business registration body, to all creditors, to people having related rights, interests, and obligations, to employees of the enterprise; such decision shall be publicly posted at the enterprise's head office and its branches.

If the law requests for newspaper publication, the dissolution decision of the enterprise shall be published in at least 3 consecutive issues of a written newspaper or an electronic newspaper.

Such resolution shall be sent to creditors along with a notice on the method of settlement of debts. Such notice shall contain the name and address of the creditors, the amount of debts, the time-limit, the place and method as applied to payment of such debts; procedures and duration for handling complaints of creditors.

4. An enterprise's debts shall be paid in the following order:

- a) Debts for salary, severance allowance, social insurance in accordance with the stipulations of law and other rights of employees under the collective labour agreement and signed labour contracts; 96
- b) Debts for taxation and other debts.

After paying all debts and cost for dissolution, the remaining shall belong to private enterprise's owner, members, shareholders or the company's owner.

5. Within 7 working days from the date of making full payment of all debts born by the enterprise, the legal representative of the enterprise shall submit a file on such dissolution to the business registration body.

The business registration body, within 7 working days from the date of receiving such file on the dissolution of the enterprise, shall erase the name of the enterprise in its business registration book.

6. Where an enterprise is withdrawn its certificate of business registration, such enterprise shall be dissolved within 6 months from the date of such withdrawal. Order and procedures for such dissolution shall be proceeded in compliance with provisions as stipulated in this Article.

After the six months if the business registration body does not receive the dissolution file from the enterprise, the enterprise shall be considered as dissolved and the business registration body can delete its name from the business registration book. In this case, the legal representative, all members for a limited liability company, the company's owner for a single member limited liability company, all members of the Board of Management for a shareholding company and all general partners shall jointly be responsible for any unpaid debt including tax duties and other financial obligations.

Article 159. Activities prohibited since the company dissolution

Since the decision is made on the dissolution of the enterprise, enterprises, enterprise managers must not conduct the following activities:

1. to conceal or give away assets;
2. to remove or to reduce the debting rights;
3. to convert non-secured debts into secured debts by using enterprise's assets;
4. to sign new contracts which are not the ones related to the purposes of dissolution of enterprises;
5. to mortgage, to pledge, to give or lease assets;
6. to terminate the performance of in-effect contracts;
7. to mobilize capitals under other forms.

Article 160. Bankruptcy

The bankruptcy of an enterprise shall be subject to legal regulations on bankruptcy. 97

CHAPTER IX: STATE MANAGEMENT OVER ENTERPRISES

Article 161. Contents of the state management over enterprises

1. To issue, disseminate, and guide to enforce legal documents on enterprises and other related legal documents.
2. To administrate business registration; make guides to business registration in order to ensure the fulfillment of strategies, master plans and development plans orienting social-economical development.
3. To organise training activities, fostering of professional skills, enhancing of business virtuous character for enterprises' managers; of political quality, morality, and professional qualification for officers involving in state management over enterprises; and training and building a skilful line-up of workers.

4. To implement incentive policies for enterprises in compliance with orientation and objectives of strategies, master plans and social-economical development plans.
5. To control and inspect business activities of enterprises; dealing with violations of enterprises, related individuals and organizations in accordance with law.

Article 162. State management responsibility over enterprises

1. The Government consolidates state management over enterprises; appoint an agency responsible to the Government to cooperate with other ministries, branches to perform state management over enterprises.
2. Ministries, ministerial level agencies, to the extent of the delegated authority and obligation, shall be responsible to the Government to carry out assigned tasks in state management over enterprises.
 - a) Periodically or at the request of business associations, evaluate business conditions and recommend the abolishment of unnecessary business conditions, amendment of unreasonable business condition; submit to the Government for the issuance of business conditions for the sectors and business segments under the ministerial state management,
 - b) Instruct the implementation of business conditions under the law; examine, supervise, handle violation of the execution of business conditions under the state management;
 - c) Propagandize and disseminate legal documents;
 - d) Develop and instruct the organization of managing conditional industries; examine, supervise and treat environment pollution, environment protection; ensuring food hygiene, labour hygiene safety;
 - đ) Develop the Vietnamese Standard system; monitor and supervise the management of quality standards for goods and services under Vietnamese standard system. 98
 - e) Exercise other rights and responsibilities in accordance with law.
3. Provincial People's Committees and People's Committees in centrally governed cities conducting state management over enterprises within their localities; within their duties and assigned authorities have the responsibility to:
 - a) Direct its professional agencies and people's committees of districts, towns, municipal cities to provide information about enterprises and be responsible to solve difficulties and the constraints to investments and business within their authorities; and to be responsible to inspection and supervision of enterprises according to law;
 - b) Organize the business registration and direct the supervision of enterprises and households as per the businesses lines registered; administrative treatment of violations of this Law and related laws;
 - c) Direct its professional agencies and people's committees of district, towns, and provincially-governed cities to implement legal regulations on taxes and business conditions according to law and respective guidelines from ministries and ministerial agencies or governmental agencies; directly solve or recommend related authorities to deal with violations in these sectors.

d) Organize the business registration body, decide on the personnel for the business registration body of the provinces, centrally-governed cities; direct and provide guidelines for the people's committees of districts, towns, provincial cities and people committees of communes, wards, townlets to deal with administrative violations in business registration.

Article 163. Organizational structure, duties and authorities of the business registration body

1. The business registration body shall have the following duties and authorities:
 - a) Settling business registration and granting the Certificate of business registration in compliance with provisions stipulated by laws;
 - b) Setting up and managing the system of information on enterprises; providing information to state bodies, and interested organizations and individuals in conformity with regulations provided by laws;
 - c) Where it is necessary for the enforcement of this Law, requesting enterprises for reports of their business situation; supervising and speeding up performance of reporting regime of enterprises;
 - d) Examining directly or requesting authorized state bodies to check on enterprises as to the content of the file for business registration;
 - đ) Settling breaches of provisions on business registration in compliance with regulations provided by laws; withdrawing of the certificate of business registration and asking enterprises whose certificate of business registration is withdrawn to proceed procedures for dissolution in accordance with provisions stipulated in this Law;
 - e) Being responsible before laws for beaches on administration of business registration;
 - g) Conducting other rights and responsibilities in compliance with provisions stipulated by this law or other related laws.
2. The organizational structure of the business registration body shall be stipulated by the Government.

Article 164. Examination, Inspection of business activities of enterprises

The examination, inspection of the business activities of the enterprise shall be carried out in accordance with law.

Article 165. Dealing with breaches

1. Depending on the nature and extent of breaches made, performers of behaviors breaking provisions of this Law shall be disciplined, receive an administrative fine, or be subjected to criminal prosecution in accordance with law.

Where the breaches cause damages to either the enterprise, its owners, creditors, or others, the performers will be liable to, either personally or jointly, make full compensation in accordance with laws.

2. An enterprise shall have its certificate of business registration withdrawn or its name shall be deleted from business registration book in the following cases:

- a) the content declared in the business registration file is fake;
- b) enterprise is established by people, who are prohibited from forming enterprises according to clause 2, [Article 13](#) of this Law;
- c) the tax code is not registered for 1 year since the issuance of the business registration Certificate;
- d) do not operate in the registered location within 6 consecutive months from the date of issuance of the business registration Certificate or the certificate of changing head office.
- đ) no reports on business operations of the enterprise are sent to the business registration body for twelve consecutive months.
- e) stop business activities for a year without notifying the business registration body;
- g) do not submit reports as provided for item c, clause 1, [Article 163](#) of this Law to the Business registration body within 3 months from the date of receiving a written notice;
- h) Undertakes business operations in prohibited industries.

CHAPTER XI: ENFORCEMENT PROVISIONS

Article 166. Conversion of State-owned companies

1. Executing annual conversion schedule, but no more than four years from the effective date of this Law, State companies established in accordance with the 2003 Law on State-owned Enterprises must convert into limited liability companies or shareholding companies as provided by this Law.

The Government shall stipulate and provide instructions of procedures and formalities of conversion.

2. During the transitional period, the stipulations of the 2003 Law on State-owned Enterprises shall continue to apply on State enterprises if this Law does not stipulate.

Article 167. Enterprises serving national defense, security

State enterprises directly serving national defense, security or combining economic with national defense, security shall manage and operate in accordance with the stipulations of this Law and separate stipulations of the Government.

Article 168. Exercise the ownership right of state investment capital in enterprises

1. The State shall exercise the ownership right of State investment capital with the following principles:

- a) Exercise the ownership right as a capital investor;
- b) Preserve and develop the state capital value;
- c) Separate the function of exercise of the ownership right from the function of state administrative management;

d) Separate the exercise of the ownership right from the implementation of state social duties;

đ) Separate the exercise of the ownership right from the business autonomy of enterprises; respect the rights of doing business of enterprises;

e) Exercise rights and obligations of the owner in respect of equity ownership on the consolidation and concentration basis.

2. Functions, tasks and powers of the representative owner of the State capital; Methods exercising the ownership right of State assets, methods and criteria to evaluate the effectiveness of the use of State assets;

Method and mechanism of co-ordination to supervise, examine and evaluate Bodies exercising ownership rights of State assets; 101

Policies, resolutions with respect to arrangement, restructure, renovation and enhancement of operating efficiency and effectiveness of State-owned enterprises.

3. The Government will annually submit to the National Assembly the consolidated report on the business situation of state-owned capital, the situation of preservation and development of the investment capital value and state assets in enterprises.

Article 169. Establishment of new state-owned enterprises

State-owned enterprises established after the effective date of this Law shall be managed and operated in accordance with this Law and related laws.

Article 170. Application as to enterprises established prior to enforcement of this Law

1. Limited liability companies, shareholding companies, private enterprises and partnerships, which were established in accordance with the 1999 Enterprise Law, are not required to re-register.

2. Except for cases provided in clause 3 of this Article, enterprises with foreign investment capital established before the enactment of the Law have the right to apply one of the 2 options as follows:

a) Re- register and organize the management and operation according to this Law and related laws; the re-register must be done within 2 years from the date of effect of this Law.

b) Do not re-register; in this case the enterprise shall only be allowed to carry business activities in the industries, sectors and in the period as stipulated in the Investment License and will continue to be entitled to the investment preferences in accordance with the stipulations of the Government.

3. Foreign invested enterprises in which foreign investors have undertaken to transfer to the Government of Vietnam, on a non-refundable basis, all the assets already invested upon expiration of the operating term shall only be converted subject to an approval of the State competent agency in accordance with provisions of the Government.

4. Business households using ten or more employees must make business establishment registration in accordance with the stipulations of this Law.

Article 171. Enforcement

1. This Law shall be of full force and effect as of the 1st July 2006.
2. This Law shall replace the 1999 Law on Enterprises, the 2003 Law on State-owned enterprises, except for the provisions of clause 2, Article 166 of this Law; provisions on management and operation of enterprises in the 1996 Law on Foreign Investment in Vietnam and the Law Amending and Supplementing some provisions of the 2000 Law on Foreign Investment in Vietnam . 102

Article 172. Guidance on implementation

The Government shall provide detailed stipulations and guidance on the implementation of this Law.

This Law was passed by the National Assembly of the Socialist Republic of Vietnam, XIth Legislature, at its 8 Session, on 29 November 2005.

CHAIRMAN OF THE NATIONAL ASSEMBLY

Nguyen Van An

(Signed and sealed)

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