To help effectively mobilize, allocate and use resources for the cause of modernisation and industrialisation of the country; to accelerate the economic reform process; to ensure the rights to freedom and equality under and before the laws in business operations by all enterprises of all economic sectors; to protect the lawful rights and interests of investors; and to enhance economic integration and effectiveness of state management over business activities;

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam;

This Law provides for provisions on limited liability companies, share-holding companies, partnerships, and private enterprises.

CHAPTER I

GENERAL PROVISIONS

Article 1. Scope of application

1. This Law sets forth provisions on the establishment, organisation of management, and operations of the following types of enterprises: limited liability companies, share-holding companies, partnerships, and private enterprises.

2. State-owned enterprises, enterprises owned by political organisations, social-political organisations when converted into limited liability companies, share-holding companies, shall be regulated by this Law. The procedures, formalities and the time-limits for completion of such conversion shall be defined by the Government.

Article 2. Application of the Law on Enterprises and related Laws

The provisions hereof, and other relevant legal provisions, shall be applied to the establishment, organisation of management, and operations of enterprises on the territory of Vietnam.

Where there is a difference between the provisions hereof and the provisions of other Laws on the same issue within the scope of adjustment of this law, the provisions of this law shall prevail.

In case where with respect to the same subject matter, there are discrepancies between the provisions hereof and that of international agreements [and] international treaties, which Vietnam has concluded and acceded to, the provisions of the international agreements and international treaties shall apply.

Article 3. Interpretation of terminology
The following terms as used in this Law shall have the respective meanings ascribed to them hereunder:

1. "Enterprise" means an economic organisation that has its own name, assets, stable transactional office and that is registered in compliance with requirements of laws 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.

2a. “Company” means a limited liability company, share-holding company, or partnership;

3. "Valid file" means a file that comprises of all documents as required by this Law, whose contents shall be declared correctly and fully in compliance with requirements of laws.

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 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 by all members and is recorded in the Charter of the company.

7. "Legal capital" means the minimum level of capital that is required by laws 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 decided by the Members’ Council or the Shareholders' Meeting.

9. "Dividend" means the amount of money taken annually from the company's profits to distribute to each share thereof.

10. "Founding member" means a person that participates in developing, approving and signing the first Charter of the company. "Founding shareholders" means founding members of a share-holding company.

11. "General partners" means a member who shall be responsible for all liabilities of a partnership with his/her own entire property.

12. "Manager of the enterprise" means the owner of private enterprises; a general partners of partnerships; members of the Members’ Council, the Chairman of the company, members of the Board of Management, the (General) Director, or the
holders of other important managerial titles stipulated in company’s Charter as in the case of limited liability companies or shareholding companies.

12a. “Authorized Representatives” mean individuals 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.

13. "Reorganization of an enterprise" means any of the division, separation, consolidation, merger, and conversion of the enterprise.

14. "Related persons” of an enterprise means those who have direct or indirect relationships with the enterprise as provided hereunder:

   a. A parent enterprise, managers of the parent enterprise, and those who have the competency to appoint the managers, if the enterprise is a subsidiary;

   a.1. Subsidiaries, if the enterprise is the parent enterprise;

   b. Individuals or a group of individuals with capabilities of control over decisions and/or operations of such enterprise via management bodies therein;

   c. Enterprise managers;

   d. Wife, husband, father, foster father, mother, foster mother, child, adopted child, or 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) to(d);

   h. Any person who lives in the same household with the persons prescribed at (a) to (e);

   i. Any enterprise in which the persons prescribed at (a) to (h) of this Article hold shares to the level that they can control the decision-making process of the management bodies of the enterprise;

   dd. Any group of persons who act together in an attempt to take over the capital contribution, shares, or control the decision making process of the company

15. State-owned capital contribution means the capital contribution invested by expenditure from the state budget and owned by an authorized state agency;

State-owned shares means shares purchased by the state budget and owned by an authorized agencies.

16. State budget capital means capital directly allocated from the state budget or any other assets, which is considered as the state budget revenue in accordance with the laws

17. The market price of the capital contribution or shares is defined as the price of that capital contribution or shares agreed by a willing seller and a willing buyer at the
most recent transaction or is the price set by an appointed independent auditing company to decide the company’s value; and that price must reflect the appropriate price between a willing buyer and a willing seller.

18. The nationality of an enterprise means the country where the enterprise is registered.

19. The residence address is the address of the head office of the legal entity, the residence registered address of or any other address of an individual, which he/she registers with the enterprise to be contacting address;

20. A foreign enterprise means an enterprise registered abroad or an enterprise registered in Vietnam having more than 50% of its capital contribution or issued shares owned by foreigners.

Foreigners include foreign individuals and foreign enterprises.

**Article 4. Guaranty by the State to enterprises and their owners**

1. The State recognises the long lasting existence and development of types of enterprises as provided for herein, ensures equality of enterprises before laws, 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 an enterprises and of enterprise owners.

3. The lawful property and investment capital of individuals and organisations shall not be nationalised, nor be confiscated by administrative measures.

In cases of absolute necessity due to reasons of national defense, security, or the national interest, a compulsory purchase of or requisition on an enterprise assets can be made by the State; the owner or co-owners of the enterprise shall be immediately paid or compensated in accordance with the market price at the time of [issuance of] the decision on such compulsory purchase or requisition, and will be facilitated to invest and do business in an appropriate industry and locality.

**Article 5. Political and social-political organisations in enterprises**

The political and socio-political organisations in the state-owned enterprises shall function in compliance with the Constitution, laws and the charters of that organizations that are in compliance with the laws.

**Article 6. Business Lines**

1. An enterprise, in conformity with provisions of laws, has its own initiative to register and conduct business in all industries that are not subject to provisions of Clause 2, 3, and 4 of this Article.
2. Business lines that cause harmful effects to national defense, security, order, social 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 lines shall be declared by the Government.

3. Where an enterprise desires to conduct business in industry(ies) that are subjected to condition(s) set up by a law, an ordinance, or a decree, the enterprise shall only be allowed to do its business in such industry(ies) after satisfying such conditions of the law, legislation or respective decree.

4. Where an enterprise desires to conduct business in industry(ies) that are required by laws, ordinances, or decrees to have legal capital or professional certificate, the enterprise shall be registered only after contributing the specified minimum level of capital or possessing professional certificate as required by laws.

5. In addition to the regulations dictated in (2), (3) and (4) of this article, foreigners are prohibited or limited from conducting some other businesses in accordance with the law of investment.

Foreign investors who have already been conducting business lines that are conditional or prohibited under this clause can continue to conduct that business lines until the investment licenses for that business lines expired.

6a. Business conditions and the management of business conditions

1. Business conditions are expressed in terms of licenses or other requirements provided by laws, ordinance or decrees requiring enterprises or the business location of the enterprise to fully acquire before any particular business activity to be implemented.

If an enterprise conducts business without meeting fully required conditions, the enterprise managers shall be jointly liable for any damages or loss caused by the business.

2. Licenses in this case means the outcomes of administrative procedures of screening and approving requirements and conditions of doing business as stipulated by the law.

3. In any cases, the licensing procedures shall be clearly and in detail provided for, including application files, processes, conditions, and licensing authority, time-limit of licensing, validity of licenses, fee of issuing licenses and the consequences of refusing to issue licenses.

4. Every year or upon request of an enterprise or of the enterprise association, the Government shall review and evaluate all conditions for conducting business; to abolish or making suggestions for abolishing inappropriate conditions, amending, supplementing or proposing amendments and supplement unreasonable conditions or promulgating or proposing the issuance of new business conditions in conformity with the management demand.
5. The government shall promulgate regulations on principles to establish and manage business conditions.

**Article 7. Rights of enterprises**

In conformity with laws, an enterprise under application of this Law shall be entitled to:

1. Possess, utilise, and dispose its assets;

2. Select, by its own initiative, industry(ies), localities, and types of investment, including setting up a joint-venture, making capital contribution into other enterprises; take initiative in expanding its business size and diversifying its industries;

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

4. Select the form and method to mobilise capital;

5. Conduct import and export activities;

6. Recruit, employ, and use labors so recruited and employed to meet the need of the business.

7. Have business autonomy; take initiative in applying modern, and scientific management methods to enhance its effectiveness and competitiveness;

8. Deny and denounce any proposal to supply resources that is not required by laws by any individual, agency or organisation, except for voluntary donation for charity purpose or for public benefits; and

8a. Have the autonomy in organizing the business, resolving internal business affairs and requesting state agencies to resolve disputes in accordance to the law;

8b. An enterprise can become a defendant or plaintiff and shall be able to attend court hearings through an authorized agent and in accordance with the law.

9. Other rights as provided by the laws.

**Article 8. Obligations of enterprises**

An enterprise whose operations are governed by this Law shall be obliged to:

1. Conduct businesses in compliance with registered industry(ies);

2. Set up accounting books, recording in the accounting books, invoices, bills and make financial reports faithfully and accurately;

3. Tax registration, tax declaration, paying tax and realize other financial obligations in compliance with laws;

4. Ensure quality of goods as registered;
5. Declaration and periodically report following to the stipulated forms to the Business Registrar of full and accurate information about the enterprise and its financial situation; amending any declared or reported information, which is found incorrect, insufficient or falsified, at the Business Registrar;

6. Give priority to employment of domestic labor, ensure the rights and interests of labor in compliance with provisions of laws on labor; respect the right to organize trade union in conformity with regulations of laws on trade union;

7. Observe regulations of laws on national defense, security, public order and security, protection of nature resources and environment, and protection of historical, cultural places, famous spots;

8. Comply with other obligations as stipulated by laws.

CHAPTER II
ESTABLISHMENT AND BUSINESS REGISTRATION

Article 9. The right to establish, make capital contribution and manage enterprises

All organizations and individuals of Vietnam and foreigners of all nationalities have the right to establish, make capital contribution and manage enterprises in Vietnam according to the regulations of this law, except the following cases:

1. State bodies and units of the people's armed force using State assets and/or the public budget to establish profit-making enterprises for their own interests.

2. Cadres, civil servants in conformity with provisions of laws on cadres, civil servants;

3. Officers, non-commissioned officers, professional army members, military workers at bodies, units of the people's army; officers, professional non-commissioned officers at bodies, units of the people's police;

4. Cadres who hold leadership and/or professional management positions in State-owned enterprises, except those nominated as representatives to manage capital contribution of the State in other enterprise(s);

5. Minors; and/or adults who have lost or restricted capacity for civil acts;

6. Persons who are subject to criminal proceedings in accordance with decisions of relevant authorities or are imprisonment, or who have had the right to do business taken away by the Court.

7. Other cases according to provisions of bankruptcy law
Persons who have established or have made capital contribution to enterprises before being subjected to provisions in clauses 2, 3, 4 and 6 of this Article have to authorize other persons to exercise the rights and obligations of the owner and have to register with the business registrar within 7 days from the date the authorization is made. Or transfer shares or capital contribution to others except in the those cases that they are prohibited to transfer shares according to decisions of authorized government agencies.

Persons subjected to clauses 2, 3 and 4 are only allowed to contribute capital to enterprises.

**Article 11. Contracts signed prior to business registration**

1. A contract that serves the establishment of an enterprise may be signed by founding members 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 for the performance of such contract.

**Article 12. Procedures to establish enterprises and to register businesses**

1. Those determined to establish an enterprise must prepare and submit a complete file as stipulated by this Law to the Business Registrar under provincial People's Committees where the head office of the enterprise is located and are responsible for accuracy and truthfulness of contents of the application file.

2. The Business Registrar is not entitled to require from the applicant any documents and papers other than those specified for each type of enterprise by this Law. The Business Registrar shall be liable only for the relevance of the file for business registration.

3. Business registrars are responsible for reviewing applications file for business registration, settling business registration applications within 10 working days from the date of reception of file for business registration; when refusing to grant a certificate of business registration, the Business Registrars shall notify the applicant in writing. The notification must clearly state the reasons, and requirements for necessary revision and/or supplementation.

Prohibit any practices that cause difficulties and troublesome for those who register their business.

**Article 13a. Business registration file for private enterprises**

An application file for business registration of a private enterprise includes:
1. Business registration application. Attached with this is a copy of identification card or passport or other lawful individual certification.

2. For enterprises conducting business that need the legal capital, the file must consist a confirmation in respect the capital by an authorized body or an authorized organization according to the law.

3. For enterprises or business industries, which are required operation licenses or other licenses before registering business, a copy of these licenses shall be provided.

Article 13b. Business registration file for a partnership
A business registration file for a partnership includes:
1. Business registration application
2. Company’s charter
3. List of general partners with the copies of the Identification cards or passports or other legal individual certifications.

For foreign general partners, it is required a certification of owning a savings account with the minimum value equivalent to the initial investment capital or US$100,000 deposited in a bank or at a branch of the bank for at least 6 months or an evidence to prove the legal ownership of other assets with the equivalent value in Vietnam.

4. For enterprises conducting business in industries that need the legal capital, the file must consist a confirmation in respect the capital by an authorized body or a organization in compliance with the law.

5. For enterprises conducting businesses in industries, that need the practicing license or other licenses before registering business, a copy of the practicing licenses of general partners or such other licenses shall be required.

Article 13c. Business registration file for limited liabilities companies and shareholdings companies.
A business registration file for a limited liabilities company should include:
1. Application for business registration
2. The company’s charter
3. List of members of the limited liability company, list of founding shareholders of shareholding companies; The following documents should be attached with the two-mentioned lists:

a. A copy of the identification cards or passports or other legal certifications towards members who are individuals;

b. Copies of the establishment decision, business registration certificate or other relevant documents, charter or other equivalent documents, identification cards or passports or other legal individual certifications of the authorized party and the respective decision of authorization for members acting as legal entities.
For founder shareholders who are foreigners, a copy of certification of the business registration and the charter should be notarized not more than 3 months before the registration by the legal entity.

4. For enterprises designing to conduct business in industries, that need the legal capital, the file must consist of a confirmation in respect to capital by an authorized body or organization in compliance with laws.

5. For enterprises designing to conduct business in industries, that need the operation license or other licenses before registering business, the file must consist additionally of a copy of the respective operation licenses or other licenses.

**Article 14. Contents of an application for business registration**

1. An application for business registration shall include the following main contents:
   
a. Name of the enterprise;
   
b. Address of the head office of the enterprise, telephone number, fax, email address (if any);
   
c. Objective(s) and business industry(ies) of the enterprises;
   
d. Charter capital with respect to companies; initial investment capital of the owner with respect to private enterprises;
   
e. Proportion of capital contribution of each member with respect to limited liability companies and partnerships; the number of shares hold 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;
   
f. Full name, signature, permanent address, nationality, ID number, passports number or other individual certifications of the owner with respect to private enterprises; of all members or their authorised representatives, of all founding shareholders or their authorised representatives, of all general partners with respect to partnerships.

2. Application for business registration shall be made in compliance with the standard sample provided by the Business Registrar.

**Article 15. Contents of a company’s Charter**

A company’s Charter shall include the following principal contents:

1. The company's name, address of head office, branch(es) and/or representative office(s) (if any);

2. Objective(s) and industry(ies) of business;

3. Charter capital;
4. Full name, permanent address of all general partners with respect to partnerships; Name, address, nationality and other basic characteristics of members with respect to limited liability companies; Name, address, nationality and other basic characteristics 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;

9a. Evidences and methods to decide the salary, allowance and bonus for members of the Members’ Council and director with respect to limited liability companies, for members of the board of management, directors and the supervision board with respect to shareholding companies.

10. 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;

11. Principles applied in profit contribution, dividend payment or loss settlement occurred in the course of business;

12. Cases of dissolution, procedures of dissolution and formalities for liquidating assets of the company;

13. Procedure for amending and supplementing the company’s Charter;

14. Signature of all general partners of partnerships with respect to partnerships; of the legal representative, of all members or their authorised representatives with respect to limited liability companies; of all founding shareholders or their authorised representatives with respect to shareholding companies;

15. Other contents as agreed upon by members or shareholders in compliance with provisions of laws.

Depending on specific circumstances and conditions and in order to help the company to better manage and operate, a joint-stock enterprise’s charter can follow/ adapt best corporate governance practices from others, however, name of issuing agency and date of issuance must be provided.
Article 16. List of members of limited liability companies, partnerships; list of founding shareholders of shareholding companies

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

1. 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, nationality, registered resident address, signature, ID numbers, passport number or other individual certificates 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 17. Conditions for being granted the certificate of business registration and business starting time

1. The certificate of business registration shall be granted to an enterprise if the following conditions are satisfied:

   a. Business industry(ies) is (are) not subject to prohibition;

   b. The enterprise is named in compliance with provisions as stipulated in Articles 23a, 23b, 23c, 23d, and 23dd of this Law;

   c. File for business registration proves relevant as provided by laws;

   d. Fee of business registration is paid in accordance with regulations;

2. An enterprise shall be entitled to perform business operations from the date of being granted a certificate of business registration. Where its registered business falls under conditional industries, the enterprise shall be entitled to perform business operations in such industries from the date of being granted the license or satisfying conditions as provided by laws.

Article 18. Contents of the certificate of business registration

A certificate of business registration shall include the following principle contents:
1. Name of the enterprise, address of head office, branch(es) and/or representative office(s) (if any);

2. Business objective(s) and industry(ies);

3. 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;

4. Full name, address, nationality, ID, passports number or other individual certification number of the legal representative of the enterprise;

5. Name, permanent residential address, nationality, ID, passports or other individual certification numbers of members, or founder shareholders, who are individuals, registration numbers of members, founding shareholders, which are legal entities with respect to limited liability companies and shareholding companies; full name, permanent address, nationality, ID, passport or other individual certification numbers of general partners with respect to partnerships; full name, permanent residential address, nationality, ID, passport or other individual certification numbers of the owners of private enterprises

Article 19. Alterations in contents of the file for business registration

1. Where an alteration is made with respect to the name, address of head office, of branch(es) or representative office(s) (if any), 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, and other contents in the file for business registration of an enterprise, such enterprise must register with the Business Registrar within 10 days from the date the decision on alteration is made.

In case there are changes in the business registration according to the decision of the court, the enterprise must register the changes within 10 days since the effective date.

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; where there are other changes, the enterprise shall be granted a certificate of changes in business registration.

Article 20. Notification of information with respect to business registration

1. Within 7 days from the date of granting the certificate of business registration, or certificate of changes in business registration, the Business Registrar shall forward duplicates thereof to the tax authority, statistics agency, to the economic and technical management body of the same level, and to the district People's Committee or to the provincial city where the head office of the enterprise having such business registration is located.
2. Any organisation or individual shall have the right to request the Business Registrar to provide information with regard to contents of the file for business registration of any enterprise, duplicates of the certificate of business registration and of the certificate of changes in business registration, and extracted forms thereof upon payment of a given fee in compliance with provisions of laws.

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

**Article 21. Announcement of the contents of business registration**

1. An enterprise shall, within 30 days from the date of being granted the business registration, publish in three consecutive issues of a newspaper the following principal contents:

   a. Name of the enterprise;

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

   c. Objective(s) and business industry(ies);

   d. Charter capital with respect to limited liability companies and partnerships; number of paid in shares and their value, and number of authorised shares of shareholding companies; amount of initial investment capital of the proprietor as to private enterprises;

   e. 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 or all founding members;

   f. Full name, 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 information with regard to such a change in compliance with provisions stipulated in Clause 1 of this Article.

**Article 22. Transfer of property ownership**

1. Members of limited liability companies and partnerships, and shareholders of shareholding companies, are subject to transfer of ownership from founding members to such companies 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 transfer ownership right of such assets or land use right to the company at a State competent agency.
Transfer of assets used for capital contribution shall be exempted from registration fees;

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

The minute shall consist of the following principal contents:

- Name and address of the company’s head office;

- Name, address, 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 amount 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) Assets used for capital contribution or shares other than Vietnam Dong, freely convertible foreign currency, and gold, shall be deemed as fully contributed 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.

Article 23. Appraisal of assets used for capital contribution

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

2. In the case assets used for capital contribution are appraised by all founding members, values of contributed assets must be approved by consensus. In this case, all people participating in the appraisal must be responsible for the honesty and accuracy of the assets used for capital contribution for 5 years from the date of the appraisal completion. The appraisers will be jointly liable for the company’s liabilities and other asset obligations if the value of assets used for capital contribution is appraised higher than their actual market value at the time of making capital contribution; and if there is any one suffering from the inaccurate or dishonest appraisal of the asset used for capital contribution, the appraisers must be jointly liable for paying for the losses of the aggrieved person.

3. In the course of business, assets used for capital contribution must be valuated by a professional appraisal organization.
In the case assets used for capital contribution are valuated by a professional appraisal organization, such organization and the legal representative of the enterprise will be responsible for the accuracy and honesty of the value of capital contribution within 3 years since the completion of the appraisal. If the value of capital contribution is appraised higher than their actual market value at the time of making capital contribution, the appraisal organization and the legal representative of the enterprise will be jointly liable for any liabilities or other asset obligations of the company; if there is anyone affected from this inaccurate and dishonest valuation of the capital contribution, they [the appraiser(s) and the legal representative of the enterprise] will be responsible for compensating such aggrieved person.

**Article 23a. Name of enterprises**

1. Name of an enterprise should have at least the following two elements:
   a) Type of enterprises
   b) Name

   The name must be written in Vietnamese, could consist of numbers or signs and must be pronounceable.

2. Business, industry(ies) or other supplement business(es) can be used to compose the name of an enterprise

3. Names of enterprises must be written or attached to their head offices, branch offices, of representative offices. Names of enterprises must be printed or written on all of their transaction documents, dossiers and publications.

**Article 23b. Prohibitions in making names of enterprises**

1. Not coinciding or causing confusion with the name previously registered by another enterprise;

2. Not using the name of state agencies, people’s armed force, political organizations, socio-political organizations to be the entire or part of the name of an enterprise except there is the acceptance of the formers.

3. Not violating the historical and cultural traditions, good morals and good customs of the nation;

**Article 23c. Name of enterprises written in foreign languages**

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 into a foreign language.

**Article 23d. Coinciding and confusing names**
1. Coinciding name happens when an enterprise wants to register a name, which is read and written in Vietnamese totally the same as the name previously registered by another enterprise.

2. The following cases are considered as causing confusion with the name of other enterprises:

   a) The Vietnamese name of an enterprise to be requested for registration is read 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 of 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.

   dd) The name of an enterprise requested for registration is different from the name previously registered by another enterprise by numbers, Vietnamese letterings (A,B,C…) 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 “new”, which is located next to the name of the latter.

   g) The name of an enterprise requested for registration is different from the name previously registered by another enterprise only by words “north”, “the north”, “south”, “the south”, “central”, “the central”, “west”, “the west”, “east”, “the east” except the former is the subsidiary of the latter.

**Article 23dd. Rights of business registrars in naming enterprises**

Based upon the provisions of these articles...... of this law, business registrars can refuse the request of names registration and the decision of the business registrar is the final decision.

**Article 24. Head office of enterprises**

1. The head office of an enterprise has to be in the territory of Vietnam; needs to have an address including the house number, name of street or name of villages,
communes, districts, communal town, provincial town, provinces, cities belonging to the central, telephone and fax numbers, and email address (if applicable).

2. The head office is the contacting, mailing place of the enterprise. Within 7 days from the date of receiving the certificate of business registration, the head office of the enterprise shall open daily; each day shall open at least 4 hours per day except the holidays in accordance with the lawful regulations.

The enterprise has to inform the working hours of the head office to the business registrar within 15 days from the date of reception of the certificate of business registration.

**Article 24 a. The seal of enterprises**

Enterprises have the separate seals according to the regulations of the government. The seals of enterprises shall be kept in the head office of enterprises.

The seal is a property of the enterprise. The legal representative of the enterprise must be responsible for the management of the use of the seal. In case of necessity, with the approval from the seal issuing agency, the enterprise may have two seals.

**Article 25. Representative offices, branches, and business place of enterprises**

1. A representative office of an enterprise is an affiliated unit thereof. It shall represent interests of the enterprise according to its authorization and take actions to protect such interests. Operations of the representative office shall be in conformity with those of the enterprise.

2. A branch is an affiliated unit of an enterprise established to exercise the entire or a part of functions of such enterprise, including acting as an authorised representative. Business industry(ies) of branches shall be in conformity with those of the enterprise.

2a. Business location is the place of actual activities of an enterprise implemented. The business location can be outside from the head office.

2b. Branches, representative offices and business locations of enterprises must in the names of the enterprises, with additional information on the identification of those branches, representative offices and business locations.

3. An enterprise is entitled to establish its own representative office(s) and/or branch(es) domestically and abroad. A enterprise can establish one or more representative office(s) and/or branch(es) in one administrative geographical location. Procedures and formalities for establishment of branch(es) and/or representative office(s) shall be set out by the Government.

**CHAPTER III**
LIMITED LIABILITY COMPANY

PART I

LIMITED LIABILITY COMPANY WITH 2 OR MORE MEMBERS

Article 26. Limited liability companies

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

   a. Members are responsible for liabilities and other liabilities of the enterprise to the extent of their capital contribution to the enterprise;

   b. The transfer of capital contributed by members is subject to provisions stated in Article 32 of this Law;

   c. Members are organisations and/or individuals; the number of members shall not exceed 50.

2. A limited liability company is not entitled to issue shares.

3. A limited liability company shall hold the legal status once it has been granted a certificate of business registration.

Article 27. 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 a member wishes to change the type of assets he or she registered to contribute, the change must be agreed by all other members and the enterprise must inform in writing the registration office within 7 days from the date the change is agreed by all members.

   The legal representative of the company has to report in writing the capital contribution progress according to the list of registered members to the business registrar within 15 days from the expiry date of the committed time limit for making periodical capital contribution.

   After such time limit, if no such written report is made to the Business Registrar, or if the content of the report is not accurate, honest the legal representative of the company shall be personally liable for the company’s damages and other individuals’ damages resulted from such delay to report or report inaccurately

1.a. Where a member fails to contribute in full and in time the assets as committed, the amount of capital not yet contributed is deemed as debt of the member against the company; the member shall be liable for all debts and other asset obligations, if after the final round for contribution, the amount committed has not been contributed in full, all the members will be responsible for contributing the difference so that the enterprise has the amount of capital as registered.
2. As soon as the full payment of capital contribution is made, such member shall be granted the certificate of capital contribution by the company. The certificate shall include the following principal contents:

   a. Name and head office of the company;

   b. Registration number and the issuing date of the certificate of business registration;

   c. the company's charter capital;

   d. Names, addresses, nationalities, IDs, passports and other legal individual certification numbers or the numbers of establishment decisions or registration numbers of the members;

   dd. The member's proportion of capital contribution and the value of capital contributed thereby;

   e. Number and the date of issuance of the certificate of capital contribution;

   g. Signature of the legal representative of the company.

3. Where the certificate of capital contribution is 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 upon payment of a fee as determined by the company.

Article 28. Register book of members

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

   a. Name and head office of the company;

   b. Name, address, nationality, ID, passport and other legal individual certification numbers or the number of establishment decision or registration number, and signature of members or the legal representative of members;

   c. The value of capital contribution of each member at the time such contribution is made; the proportion it takes in the charter capital of the company; the date the capital contribution is made; types of contributed assets; and the quantity, and value of assets used for capital contribution;

   d. The number and the date of issue of the certificate of capital contribution of every member.

2. The Register book of members shall be retained at the Head Office of the company. All members have the right to check, look for, to copy part or the entire
content of the Register book of members at the appropriate time during the registered working hours by the company.

**Article 29. Rights of Members**

1. A member of a limited liability company is entitled to:

   a. Be distributed profits that remain after the company has paid taxes and fulfilled all other financial obligations as provided by laws pro rata to his/her proportion of capital contribution to the company;

   b. Participate in meetings of Members’ Council, discuss, propose and vote on matters within the power of the Meeting;

   c. Possess a number of votes pro rata to his/her proportion of capital contribution;

   d. Check, review, look and copy the Register book of members, transactions monitoring books, accounting books, annual financial statements, minutes of member meetings, and other papers and documents issued by the company;

   dd. Be distributed a part of value of the remaining assets of the company upon its dissolution or bankruptcy proportionately to his/her capital contribution;

   e. Take priority in contributing additional capital to the company where the company increases its charter capital; transfer a part or the entire his/her proportion of capital contribution;

   g. Initiate a proceeding against the (General) Director of the company upon his/her failure of complying with his/her obligations that causes losses and/or damages to interests of such member.

   g1. Give heir of the capital contribution according to the law and have the right to decide on the capital contributed by giving to others as stipulated in the charter or if agreed by the Members’ Council

   h. Other rights as stipulated 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 stipulated in the company’s Charter, except the case regulated in section 3 of this Article, shall be entitled to request the meeting of the Members’ Council to solve matters within its power;

3. In the case a company’s member holding more than 75% of the charter capital and the company’s charter does not stipulate any smaller ratio as requested in the clause 2 of this Article, the remaining members gather together will have the right as stipulated in clause 2 of this Article.

4. Request a meeting of the Members’ Council must be in writing and the following contents should be consisted of:
a. Name, address, nationality, ID, passport or other legal individual certification or decision of establishment, registration numbers, the proportion of capital contribution and the number of the certificate of capital contribution by each requested member;

b. Reason(s) for requesting a meeting of the Members’ Council and issues to be resolved during the meeting.

c. Proposed meeting agenda;

d. Signatures of each member or their authorized persons;

5. In the case the request of a meeting of the Members’ Council does not include all the contents as regulated, the chairman of the Members’ Council has to inform in writing to all members or groups of the relevant members within 7 days from the date of reception of the request.

In the case the written request consists of all contents as regulated, the chairman of the Members’ Council has to organize a meeting of the Members’ Council within 15 days from the date of reception of the written request; if the chairman of the Members’ Council does not organize the meeting of the Members’ Council as regulated, the requested member, or group of members can organized a meeting of the Members’ Council. All appropriate expenses for organizing and conducting the meeting of the Members’ Council will be reimbursed by the company.

Article 30. 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 provisions in Articles 31, 32, 33 and 43 of this law. If any member withdrawals part or the entire capital contributions against the above regulations, all members will have to be jointly liable for all debts and other obligations of the company by their entire assets; and if the company cannot make in full and on time payment to any due debt, [the debtor] has the right to request any company’s member to pay all remaining debt.

2. Conform to the company’s Charter;

3. Perform all the resolutions made by the Members’ Council;

4. Fulfill other obligations as stipulated in this Law and in the company’s Charter.

5. Members will be personally responsible when they carry out the following under the name of the enterprise
   a) Violate civil obligations committed to others;
   b) Violate provisions of the Civil law;
   c) Conduct business on behalf of the company causing damages to other people before completing all procedures for founding a company as stipulated in this law and other related laws;
d) To pay in undue debts in the situation where there are financial dangers toward the company.

**Article 31. Buy-back of capital contributions**

1. A member of a limited liability company shall be entitled to request such company to buy back his/her capital contribution where such member votes against or protests in writing resolutions of the Members’ Council on one or more of the following issues:

   a. Amendment and/or supplementation of 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 from 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 is still able 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 person.

**Article 32. Transfer of capital contributions**

A member of a limited liability company 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 make an offer on the basis of the same conditions, to all other members of the company pro rata to their capital contribution.

2. Transfer to outsiders shall be deemed acceptable only if all the remaining members refuse to buy or fail to undertake the entire offer.

**Article 33. Resolution 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 of the dead member shall become the replacing 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. Where the heir to the dead member does not wish to be member of the company, the person who is donated, given or presented as stipulated in Clause 5 of this Article is not approved by the Members’ Council or where an organisational member is dissolved or bankrupted, the capital contribution of such member shall be bought back by the company as provided in Article 31 of this Law, or transferred in accordance with provisions as stipulated in Article 32 of this Law.

4. Where there is a capital contribution of a person as member of a limited liability company whose heir is not existent or declines to receive inheritance or is deprived his/her right of inheritance, the company shall deliver up such capital contribution to the state treasury.

5. A member has the rights to donate, give, present part or the entire capital contribution in the company to another person.

If the person who is donated, given or presented, is one of the member’s family or has the same blood line until the third generation, the such person shall become a member of the company; otherwise such person can become a member of the company only after being accepted by the Members’ Council.

6. In the case a member uses his/her capital contribution for paying debts, the recipient shall become a member of the company and have the rights of freely transferring the capital contributions to other people.

Article 34. Organisation of management of limited liability companies

A limited liability company with 2 or more members shall have the Members’ Council, Chairman of the Members’ Council and the (General) Director. A limited liability company with 11 or more members must have a Control Committee. In other cases, members of the enterprise can decide whether to establish a Control Committee. Rights, obligations, working entitlements and rules regulations of the Control Committee and of the chief of the Control Committee are stipulated in the company’s Charter.

The chairman of the Members’ Council or director (general director) who are the lawful representative of the company, who have to reside in Vietnam. If they are absent 30 days from Vietnam, another person should be authorized in writing to exercise rights and obligations of such person.

Article 35. The Members’ Council

1. The Members’ Council comprises all members of a limited liability company and holds the highest decision-making power. Where a member is a legal person, such member shall appoint its authorized representative to participate in the Members’ Council. The Members’ Council shall convene at least one meeting per quarter.

2. The Member’s Council has the following rights and obligations:
a. Giving resolutions with respect to development directions and yearly business plan of the company;

b. Determining the increase or reduction of the charter capital, the methods and time at which additional capital for the company is mobilised;

c. Approving the method of investment and investment projects that are worth 50% or more of the total asset value recorded in the company's accounting books, unless a smaller ratio is stipulated in the company’s Charter;

d. Deciding resolutions of market development, marketing and technology transfer; approving contracts of borrowing, lending and sales of assets worth 50% or more of the total asset value recorded in the company's accounting books, unless a smaller ratio is provided in the company’s Charter;

dd. Electing, suspending, dismissing the Chairman of the Members’ Council; giving resolutions on appointment, suspension, dismissal of the (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 (General) Director, chief accountant and other important managerial titles in the company as stipulated in the company’s Charter;

f. Approving the annual financial statements, and methods to use and distribute profits or handle losses of the company.

h. Determining organisation of management of the company;

i. Deciding the establishment of 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 of the company;

n. Other rights and obligations as stipulated in this Law and the company’s Charter.

Article 35a. Authorized representative

1. Except when the company’s charter regulates differently, a member being a legal entity shall have right to authorize a representative to participate in the Members’ Council. The appointment of an authorized representative has to be made in written and to be informed to the company and the business registrar within 7 days from the date of appointment. The notice has to at least consist of following particulars:

   a. Name, address of the head office, nationality, the number of the establishment decision or the registration number, the establishment or registration date.
b. The proportion of capital contribution, the issuance date of the certificate of capital contribution;

c. Full name, permanent address, nationality, ID, passport, or other legal individual certification number of the authorized person;

dd. Duration of authorization

e. Full name, signature of the legal representative and the authorized representative of members;

The authorized representative can be replaced at any time, however, the replacement shall be informed to the company or the business registrar at least 7 days before the replacement is made. The member being the authorized representative shall be replaced from the date on which the company receives the notice.

2. The authorized representative should have civil rights expertise or/and experience in business management or in the major business(es) of the company;

3. It is not allow to appoint persons who are prohibited to establish and manage enterprises to be authorized representatives:

4. For subsidiaries of companies, of which the state capital contribution or the state shareholding accounts of more than 50% of the charter capital, besides the persons stipulated in Clause 3 of this Article, related persons 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.

5. 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.

6. 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 and in the best way and the level of care as any reasonable person in similar position in the Members’ Council in order to ensure the maximum benefits of the authorising member and the company.

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

Article 36. Chairman of the Members’ Council
1. The Members’ Council of a limited liability company shall elect one of its members as Chairman. The Chairman may simultaneously hold the post of (General) Director therein.

2. The Chairman of the Members’ Council has the following rights and obligations:
   a. Preparing working program and plan for the Members’ Council activities;
   b. Arranging the agenda, substance and materials for the Meeting or submit them to members for consultation;
   c. Convening and presiding over meeting of Members’ Council, or proceeding consultation of members;
   d. Supervising the implementation of resolutions of the Members’ Council;
   e. Signing, on behalf of the Members’ Council, resolutions approved thereof;
   f. Other rights and obligations as stipulated in this Law or the company’s Charter.

3. The term of chairmanship shall not exceed 3 years. The Chairman of the Members’ Council can be re-elected.

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 absence or temporary loss of working capacity, the chairman of the Members’ Council shall authorize in writing to a member to exercise his/her rights and obligations. If no member is authorized, the remaining members will select any of them to temporarily exercise rights and obligations of the Members’ Council Chairman.

Article 37. Convocation 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, 4, 5 of Article 29 of this Law. The Members’ Council conducts at least one meeting per quarter. The meeting of the Members’ Council has to be held at the head office of the company.

1a. The Chairman of the Members’ Council prepares the working program, contents and convenes the meeting. All members can make written recommendations to be included in the content of the meeting of the Members’ Council. Recommendations should have the main following contents:

   a. Name, address, nationality, ID, passport or other individual certification numbers (or the number of establishment decision or registration), signature of members and authorized representatives;
b. Proportion of capital contribution, number, date of issuance of the certificate of capital contribution;

c. Recommendations to be included in the meeting agenda;

d. Reasons for recommendations;

The Chairman of the Members’ Council has to accept recommendations and supplement into the working program of the Members’ Council if the recommendations have enough contents as regulated and proposed issues are within the decision authority of the Members’ Council and sent to the head office of the company at least 1 day before the meeting of the Members’ Council; if recommendations are submitted just before the opening of the meeting of the Members’ Council, it will be accepted if all member attended the meeting approve.

2. Members of the Members’ Council can be invited by sending invitations, emails or telephoning directly. The contents should clearly define the time, venue and working program.

The agenda of the Meeting and materials shall be sent to members prior to the opening of such Meeting. Materials used for meeting to discuss and make decisions on the supplement, changes of the company’s charter, the approval of the company development directions, annual financial reports, re-organization or liquidation of the company have to be sent to all members at least 2 days prior to the opening. For other materials, the period prior [the meeting] in which [documents] shall be sent, shall be stipulated by 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 stipulated in section….. article ….. of this law within 15 days from the date of reception of the request, the members or groups of members making requests can organize a meeting of the Members’ Council.

4. If the Members’ Council cannot organize a meeting as regulated, the business registrar with their judgment or upon the request of any member of the company shall hold a meeting of the Members’ Council in a way, which best fits the real situation and to recover the normal business activities of the company.

**Article 38. Conditions and formalities for proceeding meetings of the Members’ Council**

1. A meeting of the Members’ Council of a limited liability company shall be deemed valid for proceeding where participating members represent not less than 75% of the amount of the contributed charter capital. The specific ratio is specified by the company’s Charter.

2. Where the first meeting fails conditions for proceeding as provided in Section 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 not less than 50% of the charter capital. The 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 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.

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 modality to be applied therein shall be provided by the company’s Charter.

**Article 39. Resolutions of the Members’ Council**

1. The Members’ Council is entitled to approve resolutions within its power by voting at meetings or by consulting opinions in writing.

Decisions on the following issues have to be made by voting at meetings of the Members’ Council:

a. Supplement and changes of 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;

dd. 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 by the company’s Charter.

   b. Where such a resolution is concerned with the sales of 50% or more of the total assets recorded in the company's accounting books or a smaller ratio as stipulated in the company’s Charter, amendment or supplementation of 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 contributed charter capital. The specific ratio is specified by the company’s Charter.

**Article 40. Record 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. Purpose, agenda, time and venue of the meeting;

b. Name, ratio of contributed shares, date, and number of the certificate(s) of capital contribution of participating members / authorized representatives; Name, ratio of contributed capital, date, and number of the certificate(s) of capital contribution of absent members / authorized representatives;

c. Issues to be discussed and voted; summary of speeches/opinions of each member for each of the discussed issues;

d. Name of and numbers of votes “for”, “against” and “blank” of each member;

e. Total number of votes “for”, “against” and “blank”;

g. Names and signatures of all participating members/authorized representatives.

Article 40a. Procedures for approval of decisions of the Members’ Council in the form of written opinion collection.

If the company’s charter does not provide differently, the authority and modality of consulting in writing opinions in order to approve decisions in accordance with the provisions of this Article.

1. The Chairman of the Members’ Council shall have the right to decide on consulting in writing with the members in order to approve decisions on issues that fall under [his/her] authority.

2. The Chairman shall have the responsibility to draft, send reports and explanations on issues to be decided on, draft decisions and opinion sheets to all members of the company. The opinion sheets must contain the following main contents:

a. The company name, head office address, business registration date and number, and business registration location;

b. Name, address, nationality, ID card number, passport number, or of other legal personal identification documents, ratio of representative shares of members of the Members’ Council;
c. Issues for comments and relevant comments in the order of “agree”, “disagree” and “abstention”;
d. The deadline for sending the opinion sheets to the company;
©. Name and signature of the Chairman and members of the Members’ Council.
The opinion sheets that are filled in sufficient and accurate information and sent to the company by the deadline shall be considered valid.
3. Count the sheets, make a report, and inform the results and approved decisions to all members within 7 days from the deadline. Report on the opinion sheet counting results must contain main contents in accordance with Clause......, Article.... of this Law.

Article 41. The (General) Director

1. The (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. Where the company’s Charter does not provide that the Chairman of the Members’ Council act as the legal representative thereof, the (General) Director shall so act.

2. The (General) Director is entitled to:

   a. Arrange for the implementation of resolutions of the Members’ Council;

   b. Make decisions on all matters arising from the day-to-day operation of the company;

   c. Arrange implementation of business and investment plans of the company;

   d. Issue the internal management regulations;

   dd. Appoint, suspend, dismiss managerial positions in the company, except those whose appointment, suspension, and dismissal are within the power of the Members’ Council;

   e. Sign contracts on behalf of the company, except where the signing authority rests within the power of the Chairman of the Members’ Council;

   g. Make proposals with regard to the organisational structure of the company;

   h. Submit the annual financial statements to the Members’ Council;

   i. Propose and submit plans as to the distribution of profits or settlement of losses incurred from business operations of the company.

   k. Recruit employees;
1. Perform other rights in compliance with the company’s Charter or the contract signed between him/her and the company or with resolutions of the Members’ Council.

**Article 41a.** Obligations of chairman, members of the Members’ Council and the Director (General Director).

The chairman, members of the Members’ Council and the Director (General Director) have the following obligations:

1. Exercise assigned rights and obligations trustfully, in the best way, with prudence like any other normal person in the position of a chairman, member of the Members’ Council, director (general director) or equivalence and in the same situation to ensure the legal maximum benefits of the company;

2. Cannot make use for personal purposes and of others business opportunities, which can bring back benefits to the company, cannot make use of information acquired from the position to benefits his/herself or to serve the profits of any other organizations or individuals, cannot take advantage of positions and authorities, cannot use the company’s property for making individual benefits, and of others, cannot disclosure the company’s secrets except when there is approval from the Members’ Council;

3. Declare and inform the company all relevant enterprises including enterprises of which members or authorized representatives of members, their related persons are the owners or have shares or dominant capital contribution. Any changes in information declared has to be informed to the company within 10 days from the date of the changes.

Anyone does not declare and inform on time or inform dishonestly causing losses to the company, he/she will be responsible for compensating the losses of the company;

The content to be declared in this Clause should be posted in the head office of the company and its branches (if any) so that everyone can get access to the information.

4. If the company does not settle all due debts and other property liabilities, the company must advise all of its members and creditors on the financial status of the company; must not make salary increase or pay bonuses its employees, including the managers; must bear personal liabilities for damages caused to the creditors as a result of failing to fulfill the obligations prescribed at this item; and propose recommendations to overcome the financial difficulties of the company.

5. Fulfill other obligations in accordance with the provisions of law and the company’s charter.
6. The company is not allowed to give loans, guarantees or credits to the legal representative, the legal representative’s family (or any other legal entity from which the legal representative can receive financial benefit except the case of receiving approval from the Members’ Council.

**Article 41b. Criteria of Director (General director)**

1. Unless the Company’ charter differently regulates, (General) director should have the following criteria

   a. Any member owns 10% of the charter capital of the company can be appointed as director (general director) of the company.

   b. Not under than 21 years old, the capacity of civil acts are not lost or restricted having expertise and real experience in business management or in main industries of the company;

   Not being related person of the authorized representative of the member owning more than 25% of the company’s charter capital;

2. For the subsidiary of a company with the state ownership of more than 50% of the charter capital, beside the criteria stipulated in Clause 2 of this Article, the director (general director) cannot be the related person of the managers or people with the authority to appoint the managers of the parent company;

**Article 41c. Allowance, salary and other benefits of members of the Members’ Council and director (general director)**

Unless the Company’ charter regulates differently, remuneration, salary and other benefits of members of the Members’ Council and director (general director) will be paid following the below criteria

   a) Members of the Members’ Council are entitled to salary and bonus. The working salary is calculated according to the needed working days to complete the tasks of members of the Members’ Council and the wage per working day. The Members’ Council estimates the allowance for each member upon the agreement.

   b) The director (general director) is paid salary and bonus. The salary of the director (general director) is decided by the Members’ Council in accordance with the main indicators of the business plan since the beginning of the fiscal year of the company.

   c) The director (general director) is entitled to the full salary if all indicators in the business plan can be achieved. If the plan cannot be accomplished as expected, the salary of the director (general director) can be deducted according to the decision of the Members’ Council; however the reduction cannot exceed 25% of the agreed salary. If the plan surpasses the expectation, members of the Members’ Council and the director (general director) will receive bonus. The total bonus cannot exceed 30% of the profits exceeding the plan. The bonus given to each member of the Members’ Council, the director (general director) is decided by the Members’ Council.
2. The allowance of the Members’ Council and the salary of the director (general director) will be calculated in the business expenses of the company.

The allowance of the Members’ Council, the salary of the director (general director), the bonus given to the Members’ Council and the director (general director) should be put in a separate line of the annual financial report of the company.

**Article 42. Contracts subject to approval of the Members’ Council**

1. Contracts of all types and transactions between the company and:

   a. Members and an authorized representative of a member, Director (General Director) of the company; or
   
   b. Related persons of the people stipulated in item a of this clause; or
   
   c. Managers of the parent company and the persons who have the authority in appointing managers of the parent company; or
   
   d. Related persons of people stipulated in item c of this clause;

   shall be approved by the Members’ Council.

   The members related to above-mentioned contracts and transactions shall not have right to vote.

   The legal representative of the company has to send a draft contract or announcement of main contents of the proposed transactions to all members of the Members’ Council as well as posting them at the head office or the branches (if any) of the company. The Members’ Council has to approve the above-mentioned contracts and transactions within 15 days from the date of posting. In that circumstance, the contracts and transactions shall be accepted/valid if they are approved by a number of member(s) who together represent at least 75% of the charter capital.

2. If the contract(s) is signed but not strictly followed the Clause 1 of this Article, then the contract(s) shall be invalid and handled by laws. The legal representative, the related member(s), and the related persons of such member(s) shall compensate the company for all losses incurred or return back all benefits received from the implementation of such contract(s) or transaction(s), to the company.

**Article 43. Increase and reduction of charter capital**

1. A limited liability company is entitled, in accordance with resolutions of the Members’ Council, to increase its charter capital by:

   a. Raising capital contribution by the members;

   b. Adjusting up the charter capital pro rata to the increased value of assets of the company;

   c. Accepting capital contribution of new member(s).
The increase of the charter capital by receiving new members should be accepted by all members unless otherwise provided by the company’s charter.

2. Where the capital contribution of members is raised, the additional capital contribution of each member shall be divided in proportion to his/her portion of capital contribution to the charter capital of the company. Members who oppose the decision on increasing charter capital, do not have to contribute additional capital pro rata with their existing capital contribution to the company’s charter capital; and if that members fail to contribute the extra capital, his/her respective additional proportion of capital contribution shall be distributed to other members in proportion to their portion of capital contribution to the charter capital of the company, unless otherwise agreed by members.

3. Upon resolutions of the Members’ Council, a limited liability company can decrease its charter capital by means of:

   a. Returning back its members a part of their capital contribution pro rata to their capital contribution in the charter capital of the company;

   b. Adjusting down the charter capital pro rata to the decreased value of assets of the company;

   c. The company is entitled to decrease its charter capital as provided in item (a) of this clause only if the company has been doing business for more than 3 consecutive years since the date of business registration, and after settling all payments to its members, the company still can assure to discharge its due debts and other liabilities.

4. The reduction of the charter capital as stipulated in clause 3 of this Article should be informed in writing to the business registrar. The announcement should have the following contents:

   a. Name, address of the head quarter, number and the date, place of business registration,

   b. Name, address, nationality, ID, passport or other legal individual certification numbers or the number of establishment decision, business registration, the proportion of the capital contribution of each member;

   c. The charter capital, the intended capital reduction and the repaid amount of money and the currency used for paying back to each member;

   d. Time and method of repayment;

   e. Signature of the chairman of the Members’ Council and the legal representative of the company.

Attached to the announcement is the decision of the Members’ Council and the financial reports at the time of charter capital reduction. For shareholding companies, of which the foreign ownership is more than 50% the capital, the financial reports shall be verified by an independent auditing firm.
The business registrar registers the reduction of the charter capital with 15 days from the date of reception of announcement if the company satisfies conditions stipulated in item c of clause 3 of this Article.

**Article 44. Conditions for profits distribution**

A limited liability company is entitled to distribute profits to its members only if its business makes profits, its tax and other financial obligations have been fulfilled in compliance with laws, and subsequent to such distribution, the company shall be able to discharge its due debts and other obligations.

**Article 45. Collecting back returned capital contributions and distributed profits**

Where the return of partial capital as a result of a decrease in the charter capital of a limited liability company violates provisions of Clause 3 of Article 43 of this Law or the distribution of profits to members is not in conformity with conditions stated in Article 44 of this Law, all members shall repay the returned or distributed money and/or assets or be jointly liable for all debts and other obligations of the company until all members have repaid all received money or other assets equivalent to the reduced capital or distributed profits.

**PART II**

**LIMITED LIABILITY COMPANY WITH ONE MEMBER**

**Article 46. Limited liability companies with one member**

1. A limited liability company with one member is an enterprise owned by one organisation (hereinafter called the company’s owner); the company owner is liable for debts and other liabilities of the enterprise to the extent of the enterprise’s charter capital.

2. The company’s owner is entitled to make its capital contribution partially or wholly transferable to other organisation(s) or individual(s).

3. A limited liability company with one member shall not issue shares.

4. A limited liability company with one member shall have legal status as soon as being granted the certificate of business registration.

**Article 47. Rights and obligations of the company owner**

1. The company’s owner shall be entitled to:

   a1. Receive all profits after the completion of tax and other financial obligations of the company.

   a2. Collect the entire asset value of the company after the company is liquidated or bankrupt.

   a3. Decide the company’s development directions.
a4. Decide solutions of market development, marketing and technology;
a5. Decide the establishment of subsidiaries, making capital contribution to other companies, establishment of branches and representative offices.

a. Make decisions on contents, amendment, supplementation of the company’s Charter;

b. Determine the management and organisation structures of the company; appoint, dismiss managerial positions in the company as stipulated in Article 49 and 49a of this Law;

c. Determine the adjustment of charter capital; determine the transfer part or entire ownership of the company to another person.

d. Approve investment projects worth 50% or more of the total asset value of the company as noted in accounting books;

dd. Approve sales of assets worth 50% or more of the total asset value of the company as noted in accounting books;

e1. Approve lending, borrowing and other contracts as stipulated by the company’s charter with the value equal or greater than 50% of the total asset value recorded in the accounting books of the company or a smaller proportion regulated by the company’s charter.

e. Supervise, control, and evaluate the company business activities;

g. Decide the use of profits;

h. Decide reorganisation of the company;

i. Other rights as stipulated in this Law and the Charter.

1a. The company’s owner appoints one or several authorized representatives to form the Members’ Council to exercise the rights of the company’s owner. If more than one person is appointed, one of these people will be selected as the chairman and the proportion of ownership for each authorized representative will be decided.

The list of authorized representatives should have the main following contents:
a. Name, address of the head office, nationality, the number and date of the establishment decision or the registration number, the charter capital of the company’s owner;

b. Name, address of head office, charter capital, the number, date, location of business registration;

c. Full name, permanent address, nationality, ID, passport, or other individual certification numbers, professionalism, experience in business management, signature(s) of the authorized representative(s), the proportion of ownership by each authorized representative, duration of authorization;
d. Name, signature of the legal representative, attached with the seal of the company’s owner.

The list of registered authorized representatives has to be posted in the head office or the branches (if any) of the company.

2. The company’s owner shall be obliged to:

   a. Contribute in full and in time the registered amount of capital; if not, [the company’s owner] shall be jointly liable for all debts and other assets obligations of the company;

   b. Comply with the company’s Charter;

   c. Conform regulations of laws with respect to contracts on purchase, sale, borrowing, lending, hiring and renting between the company and its owner;

   d. Carry out other obligation as provided by laws.

**Article 48. Restrictions of the rights of the company’s owner**

1. The company’s owner shall not be allowed to withdraw a part or the whole of its capital contributed into the company in any form except the case provided in clause 2 of this Article.

2. The company’s owner shall be entitled to withdraw capital by means of transferring partly or wholly its capital to other organisation(s) or individual(s) . Or when agreed by the authorized business registrar

3. The owner shall not withdraw the company’s profits where the company fails to discharge in full its due debts and other liabilities.

4. If the company’s owner withdraws a part or the whole of the capital contribution from the company at any form other than the form stipulated in clause 2 of this Article, the company’s owner shall be jointly responsible for all debts and other obligations of the company.

**Article 49. Organization of management of [a one-member limited liability] company**

1. The organization of a company shall consist of: the Members’ Council, the (general) director, controllers. Unless otherwise provided for in the company’s charter, the director (or general director) is the company’s legal representative. The legal representative of the company has to reside in Vietnam. If they are absent 30 days from Vietnam, another person should be authorized in writing to exercise rights and obligations of such person.
2. If there are more than 2 persons appointed as the authorized representatives of the company’s owner, the organizational and managerial structure of the company includes the Members’ Council, the (general) director and controllers. All of these authorized representatives form the Members’ Council of the company.

Functions, obligations, rights, duties, forms and methods of implementation as stipulated from Articles 35 to 42 of this Law.

3. If there is one and only one person to be appointed as the authorized representative is the company’s chairman to exercise all rights of the owner. In this case, the organizational and management structure of the company consists of the company’s chairman, the (general) director, and controllers.

The Chairman of the company is the authorized representative to exercise the rights and obligations of the owners stipulated in the Article 47 & 48 of this Law.

Functions, obligations, rights, duties of the director (or general director) is specified in the Article 47 of this Law.

Article 49a. Controllers

1. Controllers shall be appointed by the company’s owner with a term of no more than 3 years, responsible to the company’s owner for the performance of the assigned works. Unless stated differently in the company’s charter, the controllers must be licensed auditors or accountants.

2. Controllers shall have the following obligations:
   a. Monitor the conformity of the legal regulations, the company’s charter and the obligations of managers and the management of the company’s business;
   b. Appraise the financial reports, business reports, management evaluation reports and other reports before submitting them to the company’s owner or the relevant state agencies.
   c. Other obligations as requested or decided by the owner.

3. Controllers shall have the right to review any file or document of the company at the head office or any company’s branch during the working hour. Members of the Members’ Council, the company’s chairman, (general) director of the company have the obligations to provide in full and on time all information on management, controlling and operations of the company upon request of controllers.

4. Controllers get paid according to the working days. The level of allowance and other benefits of controllers shall be decided by the company’s owner. The allowance and other benefits of controllers shall be recorded as business expenses of the company, and shall be recorded in a separate line in the annual accounting report of the company.

Article 49b. Standards of the authorized representative, the (general) director and controllers.

Unless stipulated differently in the company’s charter, authorized representative, the (general) director and controllers of the company must be not less than 21 years old,
have full capacity of a normal civil person, have the expertise and experience in business management or in industries which the company conducts business.

3. The following persons cannot be the authorized representatives, the (general) director, controllers of a one-member limited liability company:
   a. Related persons of the managers of the company and of the people, who have the authority in appointing these managers;
   b. The related persons of the (general) director, of controllers cannot be the authorized representative;
   c. The related persons of the authorized representative, of controllers cannot be the director;
   d. The related persons of the authorized representative, of the (general) director cannot be controllers.
   dd. Persons who are prohibited to establish and manage enterprises.

**Article 49c. Obligations of the authorized representative, the (general) director and controllers**

The obligations of the authorized representative, the (general) director, controllers of a one-member limited company are applied as stipulated in the Article….. of this law. Allowance, salary and bonus of the authorized representative, the (general) director and controllers are applied according to the regulations of the Article…… of this Law.

**Article 49d. Dealing with contracts, transactions between the company and related persons**

1. Contracts of all types between the company and:
   a. The company’s owner and the related persons to the owner;
   b. The authorized representative, the (general) director and controllers;
   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;
   dd. Related persons of the people stipulated in item d of this clause shall be considered and approved by the authorized representative, the (general) director and controllers; each of them shall have one vote.

2. The legal representative of the company has to send draft contracts to the authorized representative and controllers; as well as posting the draft contracts at the head office and other branches of the company in such a place where everyone interested can see.

3. If a contract has been signed and has not been posted as stipulated in clause 2 of this Article and has not been approved by the (general) director, the authorized
representative and controllers, the contract will be invalid and will be dealt with in accordance with the lawful regulations. The legal representative of the company and the contract’s parties shall jointly compensate for any incurred losses and to return any profits from the exercise of the contracts or transactions to the company.

4. Shall not implement contracts or transactions, from which the company’s owner can withdraw a part or the whole of capital contribution from the company.

**Article 50. Increase and reduction of charter capital**

1. A one-member limited liability company can reduce the charter capital only with the approval of the authorized business registrar

2. A one-member limited liability company can increase the charter capital by the additional investment made by the company’s owner or mobilization of capital contribution from others.

The owner has the absolute right in deciding the method of increasing and the level of increase of the charter capital. If the charter capital is increased by mobilizing the capital contributions from others, the company has to file for conversion into a limited liability company having 2 or more members within 15 days from the date the new members committed to make capital contribution

**CHAPTER IV**

**SHAREHOLDING COMPANY**

**Article 51. Shareholding companies**

1. A shareholding company is an enterprise where:

   a. Its charter capital is divided into various equal portions known as shares.

   b. Its shareholders are liable for debts and other liabilities born by such enterprise to the extent of the value of their capital contribution to the enterprise.

   c. Shareholders are entitled to freely transfer their shares, unless otherwise provided in Clause 3 of Article 55 or Clause 1 of Article 58 of this Law;

   d. Shareholders can be organisations and/or individuals; the minimum number of shareholders shall be three and shall not be restricted upon by any particular maximum figure.

2. A shareholding company is entitled to issue securities of all kinds for capital mobilization.

3. A shareholding company shall have its legal status as soon as it is granted the certificate of business registration.
Article 52. Types of shares

1. A shareholding company shall issue ordinary shares. Owners of such 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 by the company’s Charter.

3. Voting preference shares shall be held by only government-authorised 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 buy 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' Meeting.

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

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

Article 53. Rights of ordinary shareholders

1. An ordinary shareholder shall be entitled to:

   a. Participate and speak in all Shareholders’ Meetings and exercise the right to vote directly or through an authorized representative(s); each ordinary share carries a vote;
   b. Receive dividend at the proportion set by the Shareholders' Meeting;
   c. Take priorities in buying newly issued shares pro rata to the amount of ordinary shares held;
   c1. Freely transfer their shares to others except any cases regulated in clause 5article 58 of this law.
   c2. Review, search, extract information in the list of shareholders holding voting rights and request changes towards inaccurate information.
c3. Review, search, extract or copy the company’s charter, the minute book of Shareholders’ Meetings and the resolutions of the Shareholders’ Meetings, the minute book and the resolutions of the Board of Management, annual and mid-year financial reports according to the sample of the Vietnam accounting system and reports of the Control Board.

d. Where the company is dissolved, receive part of the property in proportion to the shares contributed to the company, after the company repaid all debts and other obligations; and the preferential shareholders;

dd. Other rights stipulated by this Law or by the company’s Charter.

2. Shareholders whether in person or in group who hold, within at least 6 consecutive months, at least 10% of ordinary shares or a lesser share as stipulated in the company’s Charter shall be entitled to:

a. Nominate representatives to participate in the Board of Management and Control Board (if any);

b. Request convocation of the Shareholders' Meeting in the case the Board of Management seriously violates the rights of shareholders, obligations of managers or makes decisions beyond its authority and in other cases stipulated in the company’s charter. The request shall be made in writing and consist of full names, permanent address, the ID, passport, or other legal individual certification numbers, the number of the establishment decision or the registration number, the number of shares and the time of registering shares by each shareholder, the total shares of a group of shareholders and the proportion of ownership of all shares in the company, violating behaviors, rights of shareholders, detailed obligations violated by the Board of Management, the level of violation; or decisions beyond the authority of the Board of Management, recommending issues to be resolved.

Attached with the request are materials, evidence of violations by the Board of Management, the level of violations of the decisions, which have been issued beyond the authority.

b1. Request the Control Board to check each detailed problem relating to the management and operation of the company if necessary. The request shall be made in writing and consist of the names, permanent address, nationality or the ID, passport or other legal individual certification numbers, or the number of the establishment decision or the registration number, number of shares and time of share registration by each shareholder, total shares of a group of shareholders and the proportion of ownership in the total company’s shares, issued to be checked, the purpose of checking.

The Control Board shall conduct checking within 7 days from the date of reception of the request, if shareholders or a group of shareholders request as stipulated in clause 2 of the Article 53 and the request has all regulated contents.

After completion of checking, the Control Board shall make a written announcement of checking results to the Board of Management and shareholders, groups of shareholders making requests; the announcement has to clearly provide the legality,
appropriateness, mistakes, if any, recommendations of methods to overcome, informing to all shareholders at the next meeting of the Shareholders’ Meeting.

d. Other rights as stipulated in this Law or the company’s Charter.

3. Unless otherwise provided for in the company’s charter, the nomination of the Board of Management the Control Board stipulated in item a, clause 2 of this Article shall be implemented as follows:

a. Shareholders holding voting rights voluntarily form a group (groups), which satisfies(y) the conditions to be able to nominate candidates for the Board of Management and the Control Board, must report the forming of the groups forming to all participating shareholders at the opening of the Shareholders’ Meeting.

b. Depending on the number of members of the Board of Management and the Control Board, the Shareholders’ Meeting will decide the number of representatives nominated by shareholders or groups of shareholders stipulated in clause 2 of this Article. If the number of nominees nominated by shareholders or groups of shareholders is smaller than the number they are entitled to nominate according to the decision of the Shareholders’ Meeting, the remaining nominees will be selected by the Board of Management, the Control Board and other shareholders.

Article 54. Obligations of ordinary shareholders

1. To make a full payment for their subscribed shares and to be liable for debts and other liabilities of the company to the extent of the paid-in capital;

Cannot withdraw the paid-in capital in the form of ordinary shares from the company in any form except the company buys back the shares or the shareholder transfers the shares to other persons. If a shareholder withdraws a part or the whole paid-in capital violating the above regulations, he/she and all the members of the Board of Management and the (general) director shall jointly be responsible by the entire assets for all debts and other obligations of the company; if the company does not make full payment for all due debts, creditors can request any of the above people to pay in full the due debts.

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

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

4. Other obligations as stipulated in this Law or the company’s Charter.

5. Common shareholders will be personally responsible for the following behaviors:
   a. Violate civil obligations committed to others;
   b. Violate provisions of the Civil law;
   c. Conduct business on behalf of the company causing damages to other people before completing all procedures for founding a company as stipulated in this law and other related laws;
   d. To pay in full all undue debts which encounter with financial dangers toward the company.
**Article 55. Voting preference shares and voting preference shareholders**

1. A voting preference share is a share that carries a vote worth more than an ordinary share does. The specific number as carried by one such share shall be determined in the company’s Charter.

2. A voting preference shareholder shall be entitled to:
   
   a. Vote for all issues within authority of the Shareholders' Meeting with the vote as provided in Clause 1 of this Article.
   
   b. Perform other rights as of ordinary shareholders, except those in Clause 3 of this Article.

3. Shareholders owning voting preference shares shall not transfer such shares to others.

**Article 56. Dividend preference shares and dividend preference shareholders**

1. A dividend preference share is a share that entitles its holder to receive an annual dividend at a higher level than that of ordinary shares, or at an annual stable level. The annual dividend of such a share comprises fixed dividend and bonus dividend. Fixed dividend is paid regardless of the profits made by the company. The specific amount of fixed dividend and the method as applied to calculation of bonus dividend shall be stated in any certificate of such dividend preference share.

2. A dividend preference shareholder shall be entitled to:
   
   a. Receive dividend shared at the level provided in Clause 1 of this Article;
   
   b. Where the company is dissolved, receive, in proportion to the total shares held, part of its remaining assets after the company pay all debts to creditors and redeemable preference shareholders;
   
   c. Have the same rights as an ordinary shareholder, except those in Clause 3 of this Article.

3. No dividend preference shareholders shall be entitled to vote, to attend the Shareholders' Meeting, to nominate representatives in the Board of Management and the Control Board.

**Article 57. Redeemable preference shares and rights of redeemable preference shareholders**

1. A redeemable preference share is a share that is bought back by the company anytime upon request of its holder, or under circumstances as stated in the certificate of such share.

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' Meeting, to nominate representatives in the Board of Management and the Control Board.

**Article 58. Ordinary shares of founding shareholders**

1. Founding shareholders shall subscribe at least 20% of the total ordinary shares issued by the company, and have to pay in full for the subscribed shares immediately after the certificate of business registration for the company is granted.

2. Within 90 days from the business registration date, the company must inform the Business Registrar about equity capital contribution. The notice must contain the following contents:
   a. Name, head office address, business registration date, and registration location.
   b. Total number of ordinary shares, and number of subscribed shares of the founding shareholders.
   c. Name, permanent address, nationality, ID card number, passport number or other legal identification documents, number of the decision on establishment or registration number, number of subscribed shares, numbers of paid-in shares and value of paid-in shares, types of assets used to make equity capital contribution of each founding member.
   d. Total of shares and value of paid-in shares of all founding shareholders.
   e. Name and signature of the company's legal representative.

   After 90 days stipulated in this clause and the company does not have any announcement on the capital contribution or the announcement’s content is inaccurate, dishonest, the lawful authorized representative of the company shall be personally responsible for any company’s losses caused by the above-mentioned announcement.

3. If any shareholders does not pay or does not pay in full for the subscribed shares, all founding shareholders shall jointly responsible for the payment to ensure that all shares of founding shareholders are paid. In this case the company shall register[,] supplement [and] amend the list of founding shareholders and the company’s charter corresponding with the number of paid-in shares.

4. In case founding shareholders do not subscribe all shares, the remaining shares must be offered and sold out within 3 years from the date of the certificate of business registration is granted.
5. Ordinary shares of founding shareholders can be transferable to persons, who are not shareholders if so approved by the Shareholders’ Meeting. The person who desires to do such transfer shall not be entitled to vote with respect thereto.

After 3 years from the business registration date, the restrictions imposed upon founding shareholders shall be abolished.

**Article 59. Share certificate**

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:

1. Name, and head office of the company;

2. Registration number and the date the certificate of business registration was granted;

3. Number and type(s) of shares;

4. Face value of each share and the total face value of shares specified in the share certificate;

5. Name, permanent address, nationality, the ID, passport or other legal individual certifications numbers, the number of the establishment decision or the registration number of shareholders with respect to non-bearer share certificates;

6. Summary of procedures of transfer of shares;

7. Specimen signature of the legal representative and seal of the company;

8. The number noted in the company's register book of shareholders and issuing date of shares;

9. Regarding preference share certificate(s), other contents as described in Article 55, Article 56 and Article 57 of this Law shall be included.

All mistakes, if any, in the contents and format of share certificates issued by the company do not affect the rights and benefits of its owner. The chairman of the Board of Management and the (general) director shall jointly be responsible for losses caused by such mistakes to the company.

**Article 60. Register book of shareholders**

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

The register book of shareholders shall include in the least the following contents:
a. Name and head office of company.

b. Total number of 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. Names, permanent address, nationality, the ID, passport or other legal individual certifications numbers, the number of the establishment decision or the registration number, numbers of shares of each type of each shareholder and the dates of share registration.

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

**Article 61. Issuance and transfer of shares**

1a. Methods, procedures and process of public share offering will be performed in accordance with the securities regulations.

The Government will have regulations on the private placement.

1. The Board of Management has the right to decide on time, method and offer price of shares within the shares to be offered as stipulated in the company’s charter. 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 most recent time except:

a. Where shares are offered for the first time to those who are not founding shareholders.

b. Where shares are offered to all shareholders in accordance with their share proportion in the company.

c. Where shares are offered to brokers and guarantors. In this case, the discount or discount rate shall be approved by the number of shareholders representing for at least 75% of total voting shares but shall not exceeding 10% of the market price.

d. Other cases and discount rate in such cases regulated by the company’s charter.

2a. In case the company issue additional ordinary shares and offer them to all ordinary shareholders in accordance with their share proportion held in the company according to the following regulations:

a. The company shall inform the sale of shares in writing and by certified mail to the permanent addresses of all shareholders. In the meanwhile, the announcement has to be advertised on 3 consecutive issues of newspapers within 10 days from the date of the issuance of the announcement.
b. The announcement should consist of name, address, nationality, ID, passport, other legal individual certification numbers or number of the establishment decision or the registration number, number of shares and share equity proportion by [each] 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, signature of the company’s legal representative. The time-limit in the announcement shall be reasonable for shareholders to subscribe. The announcement shall be attached with a sample of subscription registration form issued by the company.

c. Shareholders can transfer their priorities of buying shares 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 Management. The Board of Management 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’ Meeting or shares are sold through the stock exchange.

2. A share shall be deemed to be sold when they are paid in full and information of the buyer stipulated in item d, Section 1 Article 60 of this Law is sufficiently and truthfully recorded in the Register book of shareholders. From then on, the buyer of such share(s) becomes a shareholder of the company.

3. After the full payment for shares is made, the company shall issue and grant share certificates to the buyer(s). The company may opt to sell shares without issuing share certificates. In such case, information regarding shareholders as stipulated in Clause d Article 60 of this Law recorded in the Register book of shareholders shall be sufficient to certify the ownership of such shareholders [as to those shares] in the company.

4. Where a share certificate is lost, torn, burnt, or otherwise destroyed, the holder of such share certificate shall be entitled to request the company for a re-issuance of the share certificate subject to a fee quoted by the company.

The request shall commit that:

a. The share certificate is actually lost, torn, destroyed, not been sold or pledged;

b. If lost, a commitment of enough search has been conducted; and

c. In the case the share certificate is found, it will be returned to the company for being destroyed;

d. Be responsible for [any] disputes incurred, if any, from the issuance of new share certificate.

For shares with the par value of more than VND 10 million, prior to the reception of the request for issuance of new share certificate(s) the company’s legal representative
can ask the shareholder(s) to publish the lost or destruction of the share certificate on the newspaper and after 15 days from the date of posting, a request for issuance of new share certificate(s) will be made.

4. All share certificates shall be freely transferable unless otherwise stipulated in clause 3 Article 55 and clause 5 Article 58 of this Law. The transfer can be made in writing as usual or by mere delivery. The transferring paper will be signed by transferor and transferee or by their authorized representatives. The transferor still the owner of the relevant shares until the name of the transferee is recorded in the Register book of shareholders.

In case only some shares of non-bearer share certificate are transferred, the old share certificate shall be cancelled and the new share certificate shall record the transferred shares, and [the share certificate recorded] the remaining shares shall be provided free of charge by the company.

**Article 62. 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 laws and the company’s Charter.

1b. Companies are not allowed to issue bonds in the following cases:

a. The company failed to make full repayment for the principal and interest of issued bonds or do not pay or cannot make full payment to due debts in the last 3 years

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

1c. The bond issuance for creditors being financial institutions is selected without any restriction as stipulated in section 1a, 1b of this Article.

2. Except in cases where the company’s charter provides otherwise, the Board of Management shall determine types of bonds, the total value of bonds and issuing time, but shall be subject to report at the Shareholders’ Meeting in the next meeting. The report shall consist of materials, files for explaining the decision of the Board of Management on the bond issuance.

**Article 63. Payment of shares, bonds**

Shares and bonds of a shareholding company shall be paid in either Vietnamese Dong, exchangeable 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 once.

**Article 64. Buy-back of shares at requests of shareholders**

1. A shareholder shall be entitled to request the company to buy back his/her own shares if such shareholder votes against resolutions of the Shareholders' Meeting with respect to the reconstruction 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 the 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 days from the date of resolution of the Shareholders’ Meeting regarding the issues mentioned in this clause.

2. A company shall buy back from the shareholder, in accordance with his/her request as stipulated in Clause 1 of 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 valuation organization. The company can introduce at least 3 valuation organizations so that shareholders can chose and the decision of this valuation organization is the final.

Article 65. Buy-back of shares as a result of company resolutions

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

1. The Board of Management 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’ Meeting.

2. The Board of Management shall set the price for the buy-back. With respect to ordinary shares, the set price shall not exceed their market price at the time of buy-back, 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 every 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 forwarded 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 of the company, the overall number and types of shares to be bought back, price of such buyback, procedures and time-limit for payment, procedures and time-limit for a shareholder to offer the company his/her shares. The notice shall be sent to all shareholders by certified mail so that it shall reach them at the said deadline.

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 name, address, the establishment decision number or the registration number, total shares owned, the number of shares on sale, payment method, signatures of shareholders or of their legal authorized representatives. The sale offer must be sent to the company by certified mail. The company shall only buy back shares offered within the said period.

Article 66. Payment Conditions and settlement of share buy-backs

1. A shareholding company shall only be entitled to make full payment for the share buy-backs as stipulated in Article 64 and Article 65 of this Law where subsequent to
such payment, the company shall be able to discharge its due debts and other liabilities.

2. All shares that are bought back in conformity with stipulations in Article 64 and Article 65 of this Law shall be deemed re-purchased shares eligible for re-offering.

2a. Share certificates verify the ownership of the bought-back shares shall be destroyed right after the respective shares have been paid in full. The chairman of the Board of Management and the (general) director will be jointly responsible for any losses caused from non-destroying or delaying in destroying of share certificates.

3. 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.

4. After the full payment has been made to the bought back shares, the company must register the changes of the charter capital as stipulated by the law.

**Article 67. Distribution of dividend**

1. A shareholding company shall be entitled to pay dividends to its shareholders if its business is profitable and its tax and other financial obligations have been fulfilled in accordance with law provisions, and previous losses have been covered and 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.

The Board of Management can determine the mid-term dividend payment if this is suitable with the profit generation of the company during the fiscal year.

1a. Dividends can be paid in cash or other detailed assets as stipulated in clause 1b of this Article. 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 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 [the dividends] 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.

1b. If the Shareholders’ Meeting accepts the request of the Board of Management, the company can pay a portion or the whole of dividends by shares issued by the company or by shares and bonds issued by other companies.

2. 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 certified 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, the name, address, the permanent address, the nationality, ID, passport or other legal individual certification number or the number
of establishment decision or the registration number, the overall number of the
shareholders to whom dividend is paid, the number of shares held by him/her under
each type, the amount of dividend per share and the total dividend received by such
shareholder, the time and mode of payment, the signature of the chairman of the
Board of Management and the company’s legal authorized representative.

3. 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.

Article 68. Recovery of unlawful payment for the buy-back of shares or dividend

Where the buy-back of shares does not comply with Clause 1 of the Article 64, or the
payment of dividend is contrary to Clause 1 of the Article 67, 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 all the debts born by the company.

Article 69. Organisation and management structure of shareholding companies

The organisation and management structure of a shareholding company shall
comprise: the Shareholders’ Meeting; the Board of Management, the (General)
Director, and the Control Board where the company has more than 11 individual
shareholders or has a legal entity shareholders.

The chairman of the Board of Management or the (General) Director are legal
representatives of the company, who have to reside in Vietnam. In case he/she absent
from Vietnam for more than 30 days, an authorized representative should be
appointed in writing to exercise the rights and obligations on behalf of the lawful
representative.

Article 70. Shareholders’ Meeting

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

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

a. Decide 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.

b. Elect and dismiss members of the Board of Management and of the Control Board;

c. Investigate and decide how to deal with breaches committed by the Board of
Management and the Control Committee which cause damage to the company and its
shareholders;

d. Determine the reconstruction and dissolution of the company;
dd. Determine 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;

e. Approve the annual financial statements;

g. Make decisions on directions of development of the company,

h. Make decisions on investment or approve 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

h. Make decisions with regard to the buy-back of more than 10% of issued shares of each type.

i. Other rights and obligations as stipulated in this Law and the company’s Charter.

3. Shareholders as legal entities shall 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 address, nationality, number and date of the decision for establishment, the registration of shareholders;

b. Number of shares, types of shares and date of shareholders registration in the company;

c. Full name, permanent address, ID, passport, other legal individual certification numbers of the authorized representatives;

d. The number of authorized shares;

dd. Duration of 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 registrar within 5 days from the date of receiving such notice.

4. Persons stipulated in items a and b, section 3 of this Article and the item 4 of the Article 35 of this Law shall not select the authorized representatives for shareholders.

Article 71. Authority to convene the Shareholders' Meeting

1. The Shareholders’ Meeting is required to be held regularly or irregularly at least once per year. The venue of the Shareholders’ Meeting shall be in the territory of Vietnam.

1a. The Shareholders’ Meeting shall be conducted regularly within the 4 months from the date of ending the fiscal year. Upon the request of the Board of Management, the
business registrar can extend the time but less than 6 months from the end of the fiscal year.

The regular meeting of the Shareholders’ 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 (general) director.
d. Dividends for each type of shares
dd. Other issues within the authority

2. The Board of Management shall convene irregular meetings of the Shareholders’ Meeting in 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 smaller than as stipulated in the law.
c) At the request of a shareholder or group of shareholders prescribed at point b, Clause 2, Article 53 of this law, or
d) At request of the Control Board; or
dd) Other cases as stipulated by the company’s charter.

3. The Board of Management shall convene the Shareholders' Meeting within 30 days commencing from the date of receipt of the request as described in item c and d, Section 1 of this Article.

Where the Board of Management fails to do so, the Control Board in place of the Board of Management shall convene the Shareholders' Meeting in compliance with this Law.

Where the Control Board fails to do so, a shareholder or group of shareholders as provided in item b, Section 2 Article 53 of this Law, in place of the Board of Management and Control Board, shall have the right to convene the Shareholders' Meeting in compliance with this Law.

If the Control Board does not convene, the business registrar, by their judgment or at request of any shareholder of the company can convene and organize the Shareholder’s Meeting in the most appropriate way to fit the real situation in order to recover the normal business activities of the company.

All expenses arising from the convocation and proceeding the Shareholders' Meeting shall be reimbursed by the company.

4. The convener(s) of the Shareholders' 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.

Article 72. List of shareholders entitled to participate in sessions of the
Shareholders’ Meeting

1. The list of shareholders entitled to participate in sessions of the Shareholders' 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' Meeting, unless the company’s Charter determines a shorter period.

2. The list of shareholders shall include full name, address of residence, nationality, ID, passport or other legal individual certification numbers or the number of decision of establishment or the registration number of head office; 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' 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’ Meeting.

Article 73. Agenda and contents for sessions of the Shareholders' Meeting

1. The convener(s) of the Shareholders' 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 53 of this Law shall be entitled to make proposals as to matters to be included in the meeting agenda of the Shareholders' Meeting. Such proposals shall be made in writing and forwarded to the company no later than 3 days prior to the opening date of such meeting. 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 convener(s) of the Shareholders' 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' Meeting.

   c. Other circumstances as stipulated in the company’s Charter.
4. Except otherwise provided in Clause 3 of this Article, the convener(s) of the Shareholders’ 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’ Meeting.

Article 74. Invitation to sessions of the Shareholders' Meeting

1. The convener(s) of the Shareholders' Meeting shall forward invitations to all shareholders eligible for participation in sessions of the Shareholders' Meeting no later than 7 days prior to the opening date thereof. The company’s Charter can determine longer period. The notice shall be forwarded to the permanent address of shareholders by certified mail.

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

2. Such invitations shall be enclosed with the form of authorization for attending the session, the agenda 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 75. Authorisation to participate in sessions of the Shareholders' Meeting

1. A shareholder whether in persons or in the authorized representative of shareholders may directly or in writing authorise another to participate in a session of the Shareholders' Meeting. If shareholders are institutions and do not authorize a representative as stipulated in Section 3 Article 70 of this law, they can appoint a person to participate in the Shareholder’s meeting.

The appointment of the authorized representative to attend the meeting shall follow the form provided by the company:

a. If the shareholder is an individual, there shall be a signature of that shareholder and the authorized person.

b. In case of the authorized person of shareholders as stipulated in clause….. of Article of this Law, there should be a signature of the authorized person, the legal representative of shareholders and the person authorized to attend the meeting.

c. In other circumstances, there shall be a signature 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.
1a. Unless provided clause 1b of this Article, the voting of the personal authorized to attend the meeting within the authorization will be effective even when the person appoint the authorization:

a. is dead or his/her capacity of civil acts are lost;

b. cancel the authorization; or

c. cancel the authority of the authorized person;

1b. The provisions in clause 1a of this Article will not be applicable if the company receives a written notice of one of these events no less than 24 hours prior to the opening of the Shareholders’ meeting.

2. 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' 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 76. Conditions, procedures of the Shareholders' Meeting sessions**

1. A session of the Shareholders' Meeting shall be deemed valid where it is attended by a number of shareholders that own 65% or more 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' 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’ 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' Meeting shall be carried out regardless of the number of participating shareholders.

4. Only the Shareholders’ Meeting shall have right to alter the meeting agenda being enclosed with the invitations in accordance with Clause 2, Article 74 of this Law.

5. Procedures of a session of the Shareholders' Meeting and voting procedures shall be stipulated in the company’s Charter.

**Article 76a. Procedures of conducting meeting and voting procedures of the Shareholders’ Meeting**

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

1. The day prior to the opening [of the Shareholders’ 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 Chairperson, secretary and vote counting committee of a session of the Shareholders’ Meeting shall be defined according to the following regulations:

a. The Chairperson of the Board of Management shall chair meetings convened by the Board of Management. Where the Chairperson is absent or temporarily lost the ability to work, the remaining members shall select one of them to be the Chairperson 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’ Meeting to vote for a Chair.

b. In other cases, the person who signs the decision to convene the Shareholders’ Meeting shall guide the Shareholders’ Meeting to vote for a Chair.

c. The person who receives the highest number of votes shall chair the Meeting.

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

®. The Shareholders’ Meeting shall select a vote counting committee consisting of not more than 3 persons at the request of the Chairperson.

3. The meeting agenda and contents must be approved by the Shareholders’ 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’ 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’ 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’ 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 of the Shareholders’ Meeting 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.

In case the Chair delays or temporarily postpones the Shareholders’ Meeting contrary to the provisions at points a and b of this Clause, the Shareholders’ Meeting shall have the right to vote for any other participant to be the Chairperson, who shall chair the session until it closes, and effectiveness of votes approved by that session shall not be affected.

**Article 77. Adoption of resolutions by the Shareholders' Meeting**

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

The adoption of resolutions on the following issues shall be voted during sessions of the Shareholders’ Meeting:
   a. Supplement and amendment of the company Charter;
   b. Decision on the company development directions
   c. Election, dismissal of members of the Board of Members, and the Control Board
   d. Approval of the annual financial report.
dd. Re-organization or liquidation of the company.

2. A resolution made by the Shareholders' Meeting shall be passed when:

   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 type, amendments and supplements of the company’s Charter, the reorganization and dissolution of the company, or investment, the sale of 50% or more of the total value of assets recorded in the company’s accounting books except the company’s charter different regulates. The specific ratio shall be stipulated in the company’s Charter.;

c. For companies of which the state ownership or foreign ownership is more than 50%, voting for electing members of the Board of Members and the Control Board will be implemented by accumulatively calculating the votes.

2a. The resolutions approved during the sessions of the Shareholders’ 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 implementing accordance with the regulations.

3. In a case where a resolution of the Shareholders' 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.

4. Resolutions adopted by the Shareholders' Meeting must be notified to shareholders eligible to attend sessions of the Shareholders' Meeting within 15 days from the date of adoption thereof.

Article 77a. Authority and Procedures of collecting written opinions of shareholders to pass resolutions of the Shareholders’ Meeting

1. The Board of Management shall have right to seek shareholders’ written opinions in order to pass resolutions of the Shareholders’ 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’ Meeting and explanatory documents for the drafted resolutions. These will be sent by certified mail to the residential addresses of shareholders.

3. The opinion sheet shall have the main following contents;

   a. Name, head office, number and date of business registration, place of business registration;

   b. Purpose for collecting opinions.

   c. Name, permanent address, nationality, passport no, or other legal individual certification, establishment decision number or registration of shareholders or their authorized persons; number of shares per type and number of votes of shareholders.
d. Issues to be commented for the adoption of resolutions.

dd. Voting proposals: “Yes”, “No” and “Blank”

e. The deadline to send the filled-in opinion sheets to the company.

g. Signature of the Chairperson 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 envelops and no person shall have right to open [filled-in opinion sheets] 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 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;

dd. Resolutions that are approved.

e. Signature of the Chairperson 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 integrity 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.

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’ Meeting.

**Article 78. Minutes of sessions of the Shareholders' Meeting**

1. Any session of the Shareholders' 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.
   a) Time and venue of the session of the Shareholders’ Meeting;

b) Meeting agenda and contents;

c) Names of the chair and secretary of the session;

d) Summary of the meeting progress and statements and speeches made during the session on each issue in the meeting agenda;

e) Number of shareholders and total votes of the participating shareholders, attached with the annex of registration list of shareholder /authorized representatives to participate with respect to shares and voting rights;

g) 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;

   g1. Approved resolutions

h) Full names and signatures of the chair and secretary.

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

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

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

The minutes of the Shareholders’ Meeting will be sent to all shareholders within 15 days from the opening of the meeting.

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

**Article 79. Request to cancel resolutions of the Shareholders' Meeting**
Within 90 days from the date of adoption of a resolution [of the Shareholders' 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 to consider and cancel such resolution on the following grounds:

1. Order and procedures of the convocation of the concerned session of the Shareholders' Meeting fail to comply with stipulations of this Law and the company’s Charter.

2. Such resolution of the Shareholders' Meeting has one or more contents in breach of laws or the company’s Charter.

**Article 80. 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 rights and for the benefits of such company, except those under the authority of the Shareholders' Meeting.

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

   a1. Supervise and guide the (general) directors and other managers in managing normal business activities of the company.

   a. Determine the development strategy and the annual business plan of the company;

   b1. Determine objectives and strategic objectives based upon the resolutions of the Shareholders’ Meeting on the development directions of the company.

   b. Make proposals with regard to the types of shares and the total number of shares to be issued under each type;

   c. Decide 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 alternative means;

   d. Make decisions on investment policies within the rights and limitation stipulated in this law or the company’s charter

   dd. Make 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 company’s accounting books, or a smaller ratio stipulated in the company’s Charter;

   e. Appoint and dismiss the (General) Director and other key managerial positions of the company, decide salary and other benefits applied to such persons; appoint the authorized representative to exercise the ownership rights of shares or the rights of capital contribution in other companies, decide allowances and other benefits to be applied to such persons.
g. Approve the organisational structure, internal rules and regulations within the scope of the company; make decisions on the formation of branches, representative offices and subsidiaries thereof; decide the contribution of capital to or buying of shares issued by other enterprises;

h. Submit annual financial statements of the company to the Shareholders' Meeting;

i. Make decisions 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 of the company;

k. Set the price of shares and bonds issued by the company;

l. Approve the agenda, materials used in sessions of the Shareholders' Meeting, convene sessions of the Shareholders’ Meeting or carry out the collection of written opinions for the purpose of passing resolutions of the Shareholders’ Meeting;

m. Determine the share buy-backs as stipulated in Clause ..... Article.... of this Law;

n. Make proposal with respect to reorganization or dissolution of the company;

o. 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 the law, the company’s Charter and resolutions of the Shareholders’ Meeting. If resolutions adopted by the Board of Management are in breach of the laws or the company’s Charter causing losses to such company, the members adopting resolutions will be jointly responsible for compensating the company’s losses; members who are recorded in the minutes of the Shareholders’ Meeting as persons 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.

5. The Board of Management has to submit the Shareholders’ Meeting during the regular meeting evaluation reports of the Board [of Management] on the supervision of business activities conducted by the (general) director and other managers, assessment on the implementation of resolutions of the Shareholders’ Meeting, the decision-making and the exercise of resolutions of the Board of Management.

**Article 80a. Terms and 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. At least half of the members of the Board of Management shall reside in Vietnam. The term of the Board of Management is not more than 3 years and members of the Board of Management can be re-elected.
2. After the end of the term and members of a new term of the Board of Management have not been re-elected, 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.

After 6 months since the end of the previous term and the new Board of Management is still not elected, the business registrar can request the company to elect the Board of Management for a new term within 3 months. If the new Board of Management is not elected within such period, the Board of Management of the previous term shall be dismissed because of this expiration.

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 80b. Criteria of members of the Board of Management.

1. If the company’s charter does not differently regulate, members of the Board of Management should have the following criteria:
   a. Any individual shareholders own at least 5% of ordinary shares of the company; or
   b. In other circumstances, members of the Board of Management cannot be under 21 years old, having enough capacity for civil acts, expertise and experience in business managements or in any industry(ies) that the company conduct business.

   Members of the Board of Management are not necessary the company’s shareholders

2. People that are prohibited to set up or manage company can not be appointed as members of the Board of Management.

3. For subsidiaries of companies which the State holds more than 50% of the charter capital, beside the provisions in clause 3 of this Article, 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.

4. Shareholders mentioned in item a clause 1 of this Article, who are members of the Board of Management cannot transfer their shares during their term unless approved by the remaining members of the Board of Management.

Article 81. Chairman of the Board of Management

1. The Board of Management shall elect one among its members as the Chairman. The Chairman may hold at the same time the post of the (General) Director, unless otherwise stipulated by the company’s Charter.

2. The Chairman shall have the following rights and obligations:
   a) Develop working programs, plans for the Board of Management;
b) Prepare agenda, contents and materials for the meetings of the Board of Management, make convocation thereof and chair such meetings

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

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

dd) Chair sessions of the Shareholders' 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 or incapable of executing his/her assigned rights and obligations, members authorised by the Chairman of the Board of Management shall exercise the rights and obligations of the Chairman. In the event there is no such authorisation, other members shall appoint one among themselves to hold the temporary chairmanship of the Board of Management.

4. If the entire Board of Management does not or is not able to exercise its rights and obligations so that it can cause losses to the company, the business registrar upon request of shareholders or relevant parties shall appoint a person to be the chairman and some others to be members of the Board of Management. Within 6 months from the appointment, the Board of Management appointed in accordance with this clause will convene a meeting of the Shareholders’ Meeting to elect the replacing Board of Management.

The business registrar is responsible for monitoring activities of the appointed Board of Management for the optimal benefits of the company.

**Article 82. The meeting of the Board of Management**

1a. 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 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 more than one members having equal and highest votes, they shall make an agreement and appoint one of them to convene the meeting of the Board of Management.

1. 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.

2a. Regular meetings of the Board of Management is convened by the chairman at any time necessary, however, at least one meeting per quarter has to be conducted.

2b. The chairman of the Board of Management shall convene a meeting of the Board of Management if there is a written request of:

a. Control Board; or

b. The (general) director or at least 5 other managerial officers; or
c. at least 2 members of the Board of Management;
d. Other circumstances as stipulated in the company’s charter.

The request shall clearly mention the objectives, issues to be discussed and decisions under the authority of the Board of Management.

The chairman shall convene a meeting of the Board of Management within 15 days from the receipt of the request. If the chairman fails to do so, requesters can convene a meeting of the Board of Management to discuss and to make decision on the proposed issues.

2c. 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 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, emails or other means, however, they shall be ensured to reach the registered address of each member of the Board of Management in the company.

2d. The chairman has to forward invitations and relevant materials to members of the Control Board and the (general) director as of to other members of the Board of Management.

Members of the Control Board, the (general) director, who are not members of the Board of Management can participate in all meetings of the Board of Management, [they] have the right to discuss but not the right to vote.

2. A meeting of the Board of Management shall be deemed valid where attendance to such meeting covers more than 3/4 of members thereof. A resolution of the Board of Management shall be adopted where it is so done by the majority of the attending members. Members who do not directly participate can vote by writings. The voting-papers shall be put in a sealed envelop and sent to the chairman of the Board of Management 1 hour prior to the opening of the meeting. The voting-papers can only be opened in front of all participants in the meeting.

In the event there is equality to the numbers of contradicting votes, decision of the Chairman shall be the final one.

3. Members have to fully participate all meetings of the Board of Management. Only members, who do not reside in Vietnam can authorize another person to participate meetings of the Board of Management, if approved by the majority members of the Board of Management.

4. Any meeting of the Board of Management shall be fully recorded in the book of minutes. The Chairman and secretary of the meeting shall jointly be liable to the accuracy and honesty of the minute of the meeting of the Board of Management.

**Article 82a. 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, head office, number and date of business registration, 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.
dd. 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. Signatures of all members or authorized participants.
Chairman and secretary of the meetings shall jointly be liable to 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.

**Article 83. 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 (General) Director, 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 make a in-time, adequate and accurate information, materials in accordance with the request of members of the Board of Management.

**Article 84. 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. [He/she is] no longer a member of the Board of Management due to not meeting criteria as stipulated; or can not be a Board of Management member as prohibited by Laws;
   b. Do not participate in meetings of the Board of management for 6 consecutive months;
   c. Have 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’ Meeting in the first 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' Meeting.

3. Where the number of members of the Board of Management is reduced to 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' Meeting within 60 days in order to supplement new members.

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

Article 85. (General) Directors

1. The Board of Management shall appoint one among its members, or others to act as the (General) Director of the company. The Chairman of the Board of Management may at the same time be the (General) Director.

   The (General) Director shall act as the legal representative of the company unless the company’s Charter specifies that the Chairman of the Board of Management shall so act.

   The (General) Director shall manage the normal business operations of the company under the supervision of the Board of Management and be liable to the Board of Management for his/her performance of assigned rights and obligations.

1a. The term of the (general) director is 3 years and can be renewed.

   The criteria of the (general) director are applied as stipulated in Article 80b of this law.

   The (general) director of the company cannot be at the same time the (general) director of another enterprise.

2. The (General) Director shall have the following rights and obligations:

   a) Make decisions on all matters arising from the normal business operations of the company, which do not require resolutions of the Board of Management.

   b) Arrange for the implementation of resolutions adopted by the Board of Management;

   c) Arrange for implementation of business and investment plans of the company;

   d) Make proposals as to the organisational structure plan and the internal management regulations of the company;
dd) Appoint, dismiss or remove the managerial positions of the company, except those whose appointment, dismissal or removal are within the power of the Board of Management;

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

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

3. The (general) director shall manage the normal business operation of the company in accordance with the regulations of the 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 (general) director shall be responsible for compensating losses to the company.

**Article 85a. Salary and other benefits of members of the Board of Management, (general) director**

1. If the company’s charter does not differently regulates, the remuneration, salaries, and other benefits of the members of the Board of Management, (General) directors 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 determine by the Shareholders’ Meeting in its regular meetings.

   b. Members of the Board of Management can 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 (general) director receives salary and bonus. The salary of the (general) director is determined by the Board of Management according to the main goals of the business plan at the beginning of the fiscal year of the company.

   d. The (general) director will receive the full salary as anticipated if all goals of the business plan used to determine the salary achieved. If the goals were not achieved as planned, the (general) director shall be punished according to the decision of the Board of Management. If the plan is over accomplished, the members of the Board of Management and the (general) director will receive bonus. The level of bonus for each member of the Board of Management and the (general) director is determined by the Board of Management, however, should be reported at the annual general shareholders’ meeting.

**Article 85b. Disclosure of related benefits**

1. Members of the Board of Management, the (general) director and other managers of the company shall list all benefits related to them in the company including:
a. Enterprise (name, head office, business, number and date of business registration, location of business registration) in which they have capital contribution or shares, proportion and time of holding such capital contribution or shares.

b. Enterprise (name, head office, business, number and date of business registration, 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 days from the date of obtaining related benefits; all supplements, changes, if any, shall be declared within 7 days from the date of such supplements or changes.

3. Declarations as stipulated in clauses 1 and 2 of this Article shall be informed to the Shareholders’ 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 (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 (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 86. Obligations of managers**

The Board of Management, the (General) Director and any other managers of a company, within his/her powers and responsibilities, shall have the responsibilities to:

1. Exercise rights and obligations assigned in accordance with the provisions Article 80, 81, and 85 of this law.

2. Exercise all assigned rights and duties in honest, diligent and best manner like any normal person in the similar position and situation would act to protect the optimal interests of the company;

3) Not using business opportunities, for personal purposes or for others, which can bring back benefits to the company, not using information gained from the managerial position for benefits of his/her own or of any other; not abusing [managerial] position, power and using the company’s assets and capital for benefits of his/her own or of any other; not disclosing any of the company’s business secrets, unless approved by the Members’ Council.
If a member of the Board of Management or the (general) director or other manager violates the above regulations of this clause, all incomes generated from such violation will be kept by the company;

4. Declare and inform to the company all related enterprises including enterprises owned by himself or his related persons or enterprises in which he himself or his related persons have shares or controlling shares. Any changes in information declared shall be reported to the company within 10 days from the date of changes.

5) When the company cannot pay in full due debts and other obligations, the Board of Management or the (general) director shall not be allowed to increase the salary, pay bonus to the company’s employees including managers of the company;

6) Exercise other obligations as stipulated by the law and the company’s charter.

7. Members of the Board of Management, the (general) director and other managers, who violate obligations in exercising rights and obligations assigned causing losses to the company and to other people shall be responsible personally or jointly for such losses caused by such violation.

**Article 87. Transactions subject to approval by the Board of Management or the Shareholders’ Meeting**

1. Contracts of all types and transactions between the company and:
   a. Shareholders/ authorized representatives of shareholders own more than 35% of the ordinary shares of the company and their related persons.
   b. Members of the Board of Management, the (general) director of the company; or
   c. Enterprises stipulated in item 1, Article 85b and other related persons of the members of the Board of Management, the (general) director

shall be approved by the Shareholders’ Meeting or the Board of Management.

2. Contracts and transactions for implementing the company’s normal business operations as stipulated in clause 1 of this Article shall be approved by the Board of Management prior to signing. 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 (if any) 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. Members, who have benefits related [to such contracts or transactions] shall not have right to vote.

3. Other contracts and transactions stipulated in clause 1 of this Article shall be approved by the Shareholders’ Meeting prior to signing. The Board of Management shall submit draft contracts or explain the main content of intended transactions during the meeting of the Shareholders’ Meeting or to collect written opinions of shareholders.

In this case, shareholders related [to such contracts or transactions] cannot 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 stipulated in clauses 2 and 3 of this Article, such contracts shall be invalid and will be handled
according to the laws. The legal representative of the company, shareholders, members of the Board of management or the (general) director related [to such contract or transaction] shall compensate for any incurred losses and return to the company all benefits from the exercise of such contracts or transactions.

**Article 88. The Control Board**

1. Shareholding companies with more than 11 individual shareholders or legal entity shareholders holding more than 50% of the company’s total number of shares must have Control Board. The Control Board shall have 3-5 members elected by the Shareholders’ Meeting by accumulating votes. The term of the Control Board shall be no more than 3 years and the members of the Control Board can be re-elected.

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 determined 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.

4. If the entire Control Board loses the membership status, or it cannot exercise the assigned rights and obligations, the Board of Management shall convene a meeting of the Shareholders’ Meeting to elect a new Control Board within 30 days from the happening of such event.

**Article 88a. The qualifications of members of the Control Board**

1. If the company’s charter does not differently regulate, members of the Control Board shall be more than 21 years old, having capacity of civil acts, expertise and experience in accounting, auditing or business law or in the main business industry of the company. Members of the Control Board are not necessarily shareholders of the company

2. Members of the Control Board shall not keep the managerial position in the company, or employees of the company.

3. The following people shall not be elected as members of the Control Board:
   a. Persons who are prohibited to establish and manage enterprises
   b. Related persons of the Board of Management, the (general) director and other managers of the company.

**Article 88b. 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 (general) director; be responsible in front of the Shareholders’ Meeting for the exercise of assigned obligations.

2. Verify the reasonableness, lawfulness, trustworthiness and carefulness of business management and direction, accounting books, and financial statements.

3. Verify periodic business reports, annual and 6 month reports of the company, and evaluation report on the company’s management of the Board of Management Submit
to the regular meetings of the Shareholders’ Meeting the appraisal report on the annual financial report, annual business progress report of the company and the management evaluation report of the Board of Management.

3. Check the business and financial operations of the company, review accounting books and other materials of the company, or problems specifically related to the management and direction of the company’s activities at any time if necessary or by a resolution of the Shareholders’ Meeting, or at the request of shareholders or group of shareholders in accordance with the provisions of clause 2, Article 53 of this Law.

If there is a request from one or a group of shareholders stipulated in clause 2 Article 53 of this Law, the Control Board shall investigate within 7 days from the date of receipt of such request, shall make explanation report on investigated issues. The inspection report shall be made and sent the report to the shareholder or the group of shareholders who have made the request within 15 days from the date of completion of the investigation.

The investigation of the Control Board stipulated in this clause shall not prevent the normal operations of the Board of Management, intervene the normal business operations of the company.

4. Propose to the Board of Management or the Shareholders’ Meeting on measures to adjust and improve organizational and management structures of the company.

5. When members of the Board of Management, the (general) director or other managers are discovered to:
   a. Violate the lawful regulations, or the company’s Charter or the resolutions of the Shareholders’ Meeting in the company’s management and supervision; or
   b. Violate the obligations of managers stipulated in …. Article …. of this Law

A written notification shall be immediately sent to the Board of Management and request the termination of such violation or/and solutions to overcome shall be provided.

6. 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’ Meeting.

7. The Control Board shall have right to use independent consultants, auditors or accountants 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’ Meeting.

**Article 89. 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 relevant materials 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 (general) director submitted to the Board of Management and other relevant materials 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 during working hours and at an appropriate duration, shall 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, director (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.

The Control Board and the members thereof shall not disclose any secrets of the company.

**Article 89a. Remuneration and other benefits for members of the Control Board**

1. Members of the Control Board shall receive remuneration for the work done and other benefits according to the resolutions of the regular meetings the Shareholders’ Meeting. The total remuneration and the annual budget operations for the Control Board will be determined by the Shareholders’ Meeting based on estimated number of working days, amount and nature of work, the average daily remuneration of member.

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 cannot exceed the total annual budget for operations of the Control Board approved by the Shareholders’ Meeting unless the Shareholders’ Meeting has a different decision.

3. Remuneration and operations expenses of the Control Board shall be recorded to the business expenses of the company and shall be presented in a separate line of the company’s annual financial statement.

**Article 89b. Obligations of members of the Control Board**

Members of the Control Board and the Control Board have the following obligations:

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

2. Exercise 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 legal optimal benefits of the company.

3. Not using business opportunities, which can bring back benefits to the company for personal purposes or for others, not using information gained from the managerial position to act for benefits of his/her own or of any other; not abusing position and power, and using the company’s assets and capital for his/her own benefits or of benefits of others ; not disclosing any of the company’s business secrets, unless approved by the Members’ Council.
4. Other obligations as stipulated in this law and the company’s charter.

5. If a member of the Control Board violates obligations stipulated in clauses 1, 2, 3 and 4 of this Article causing losses to the company or others, the 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.

Members of the Control Board, who violates their obligations in executing the assigned duties can be subject to consideration and dismissal.

**Article 89c. Dismissal of members of the Control Board**

Members of the Control Board can be dismissed in following cases:

1. No longer have sufficient qualifications as stipulated in clause..... Article ..... of this Law or belong to the group, who cannot be appointed as members of the Control board as stipulated in Article 88a of this Law or do not exercise their rights and obligations for 6 consecutive months without approval from the Control Board.

In this case, the Control Board shall determine the dismissal of related members, notify the Shareholders’ Meeting at its first coming meeting. The dismissal decision shall be notified to all members of the Board of Management and posted in the head office and branches of the company.

2. Have Letter of resignation and be approved by the Shareholders’ Meeting.

3. Members of the Control Board can be dismissed at any time according to the resolution of the Shareholders’ Meeting.

4. If the Control Board seriously violates its obligations, which probably cause losses to the company, the Board of Management shall convene the Shareholders’ Meeting to consider and dismiss the on-going Control Board and elect a replacing one.

**Article 92. Submission of the financial statement and auditing request**

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 supervision of the company;
   d. Recommendations on profits sharing or loss resolution;
2. Annual financial statements of a shareholding company must be audited before submitting to the General Shareholders 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’ Meeting.

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 days prior to the opening of the regular meeting of the Shareholders’ Meeting.

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 a appropriate time by themselves or with their lawyers, or certified auditors or accountants.

**Article 93. Disclosure of information as to shareholding companies**

1. Within 90 days from the closing date of a financial year, a shareholding company shall forward its annual financial statement already approved by the Shareholders' Meeting to the Tax Agency and a brief of the annual financial statement as per the stipulated format to the Business Registrar.

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

3. All individuals or organizations shall be entitled to have access to or make copies of the annual financial statements of a shareholding company at the Business Registrar upon payment of a fee.

4. The company’s creditors shall have right to ask the company to provide other information in addition the public information and information provided to the business registrar.

**CHAPTER V**

**PARTNERSHIP**

**Article 95. 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 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.

1a. A partnership will have legal entity from the date of the receipt of the business registration certificate.

2. A partnership shall not issue any type of securities.

**Article 95a.** 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, such partner shall be jointly responsible for all debts and other liabilities of the company by his/her entire property.

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, 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, address, nationality, ID, passport or other legal individual certification of partners and types of partners
   d) Value of contributed capital and type of assets contributed to capital of partners
   e) Number and date of certificate of capital contribution
   g. Main rights and obligations of the owner of the certificate of capital contribution;
   g) 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, partners of the company shall be entitled to be granted a new certificate upon payment of a fee regulated by the company.

**Article 95b.** 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.
Article 95c. Restrictions to rights of general partners

1. General partners cannot be owner of a private enterprise or general partners of other partnerships if the remaining general partners do not agree.

2. General partners cannot conduct the same business of the partnership whether on behalf of themselves or 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 96. 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 unless the company’s charter provides otherwise.
   b. On behalf of the company, manage the company, conduct normal business activities of within the business industry of the company.
   c. Use the company’s property including seals to execute the normal business operations within the company’s 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.
   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.
   dd. 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 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 he/she have competency, relevant qualification and accepted by the other Partners.
   i. Other rights as stipulated in this law and the company’s charter.

2. Obligations of general partners
   a. General partners shall manage and supervise business operation with trustworthiness and with carefulness which owned by any normal persons and in the same situations to ensure the legal optimal benefits of the company and all partners.
   b. General partners shall manage and supervise business activities of the company in accordance with the lawful regulations, the company’s charter and the resolutions of the Members’ Council.
General partners, who violates the above-mentioned contents of this point causing losses or damages to the company shall be responsible for compensating such losses or damages to the company.

c. General partners shall not be allowed to use the company’s property for making benefits of themselves or others, or abuse the company’s property to give, present or grant to others.

d. If a general partner receives money by using the company’s name or on behalf of his/her-self or any others receive money from activities within the company’s operations and do not return to the company within an appropriate time for any reason, they will have to return the money received and make compensation for any losses caused to the company.

dd. General partners shall be responsible by their entire equity for all liabilities and other obligations of the company; 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 progress and results to partners who have a request.

b. Other obligations as stipulated in this law and the company’s charter.

**Article 96a. 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.

2. All 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 all general partners:

   a. company’s development directions;

   b. supplement and changes of the company’s charter.

   c. enrolment of new general partners;

   d. acceptance of the withdrawal of general partners from the company and decision on the removal of members from the company

   dd. decision on investment plan;
e. decision on lending, borrowing with the value higher or equal 50% of the company’s charter capital unless the company’s charter provides otherwise

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;

2. If the company’s charter does not provide otherwise, decisions on other issues shall be approved if more than 2/3 of general partners accept.

3. The right to vote of members who contribute capital is stipulated in the company’s charter.

Article 96b. 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.

2. Convening may be by invitation, email or telephone. 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 96a of this Law should be forwarded 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 minutes book of the company. The content of the minute shall have the following main contents:

a. Name of the company, head office, number and date of business registration, place of business registration;

b. Purpose, content and meeting agenda;

c. Name of the chairman, time and place of meetings;

d. Full name of participated partners;

e. Opinions, discussion of participated partners;

f. Adopted resolutions, number of partners who accept and the main content of those resolutions;

g. Signatures of all participated partners.

Article 96c. Business management of a partnership

1. If the company’s charter does not provide otherwise all general partners shall have right to be legal representatives of the partnership; shall manage and conduct daily business activities of the company; negotiate and sign contracts, agreement or transaction with conditions, which such general partners assess as most favorable for the company. Any restriction to general partners in conducting daily business activities of the company shall have effect to the third party.
2. In managing and conducting 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, which is clearly out of the normal business operations in the scope of the company’s 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.

3. Chairman of the Members’ Council cum the (general) director of the company. The chairman of the company has duties to:

a. manage and control daily business operations of the company as a general partner;

b. convene and hold meetings of the Members’ Council; sign decisions or resolutions of the Members’ Council.

c. Assign, regulate and coordinate business operations among partners; sign decisions on rules, regulations and other internal arrangements of the company;

d. arrange, keep in full and trustfully all accounting books, invoices, and documents of the company according to the legal regulations. Each general partner have right to get access to these documents, to get copies of these documents for an appropriate duration.

e. represent the company in working with a state agency; represent the company as a plaintiff or a defendant in lawsuits or in other commercial disputes

**Article 96d.** Termination of general partner status

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

a. Voluntary capital withdrawal 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.

2. If the company’s charter does not provide otherwise, general partners can withdraw investment capital from the company if all other remaining general partners accept. Partners, who want to withdraw capital from the company shall notify in writing the capital withdrawal request at least 6 months before. 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 95c of this Law;
c. do not manage and 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. Being restricted or lost capacity of civil acts; the capital contribution of such member will be returned fairly and properly.

5. The value of capital contribution returned depends on the financial status of the company at the time of withdrawal. The capital contribution withdrawal of such partner as stipulated in clause 1 of this article shall only be made in cash.

6. 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 by their entire equity.

7. After the termination of the general partner’s status, if the name of such partners has been used as a part or the whole name of the company, such partners can request the company to stop that usage.

**Article 96dd.** Enrolment of new partners

The company can receive one or more new general partners. The new comers shall become general partners or limited partners upon approval of all general partners.

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.

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.96e.** Rights and obligations of limited partners

1. Limited partners can be individuals or a legal entity;

2. Limited partners shall have the rights to
   a. participate in meetings, discuss and vote in the Members’ Council on the changes, supplement of the company’s charter, supplement and changes of 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, minutes book, contracts, files and other relevant documents issued by the company.

Receive a part of the remaining assets pro rata to the proportion of capital contribution in the company’s charter capital when the company is liquidated;

d. Freely transfer their capital contribution to others;

dd. Conduct the same business of the company on behalf of themselves or others.

e. If an individual partner is dead, the heir or the replacing person of the deceased partner shall become the partner of the company.

If a partner is a legal entity, which is liquidated or filed bankruptcy, the capital contribution of such entity partner in the company shall be on sale like other assets.

g. Other rights as stipulated in this law and the company’s charter.

3. Obligations of limited partners

Limited partners are obliged to:

a. Contribute in full and on item the committed capital and responsible for all liabilities and other obligations of the company to the context of the capital contribution; if the committed capital cannot be paid in full and in time, he/she shall be responsible for all liabilities and other obligations of the company by his/her entire equity or shall be fired from the company if ¾ of the general partners approve.

b. Cannot manage the company, conduct business activities on behalf of the company; if the general partner makes others misunderstand his/her.

c. Comply with the company’s charter, content and resolutions of the Members’ Council.

d. Other obligations as stipulated in this law and the company’s charter.

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CHAPTER VI

PRIVATE ENTERPRISE

Article 99. Private enterprises

A private enterprise is an enterprise owned by an individual who is liable for all of its operations with his/her entire property.

Each individual shall only be entitled to establish one private enterprise

Article 100. 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.

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 Registrar of such event.

Article 101. 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 laws.

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 Registrar and remain fully liable on his/her own for all the business operations of the enterprise.

2. 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.

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

Article 102. 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 Registrar 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 103. 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 Registrar 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 laws on labor.

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

**Article 104. Suspension of business**

The owner of a private enterprise is entitled to suspend its business operations on a temporary basis provided that the duration of such suspension shall be notified in writing to the Business Registrar and the Tax agency no less than 15 days prior to such suspension. During the suspension period, the owner is obliged to discharge the outstanding taxes, remains liable to creditors and stays responsible to customers and employees for the performance of signed contracts, unless the owner, customers, employees agree otherwise.

**Chapter Via.**

Parent companies, subsidiaries or AFFILIATES

**Article 104a. Affiliates**

1. Companies that are legally independent, have legal status but ally with each other by cross holding shares of each are called affiliates.

2. Affiliates can establish subsidiaries and contribute capital to other enterprises with the capital not in excess 50% of total equity capital of the company at the time of capital contribution except the case of capital trading company.

**Article 104b. Parent companies and subsidiaries**

1. One company is considered as a subsidiary of another.

   a. If the latter is the owner of the former or the latter keep the majority of capital or issued ordinary shares of the former; or

   b. the former is the subsidiary of the latter; and the latter shall be called the parent company.

2. Beside the relationship stipulated in clause 1 of this article, one company which can directly or indirectly supervise managers, business or financial activities of another company shall be the parent company and the latter shall be called a subsidiary.

3. The parent companies together with its affiliates, which are subsidiaries to create a group of companies.

4. The highest parent company is the one which is not a subsidiary of any other company.
**Article 104c.** Rights and responsibilities of the parent company in affiliation with 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 affiliation with subsidiaries with respect to the provisions of this law.

2. Beside the affiliation as stipulated 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 and in accordance with market-oriented mechanism.

3. In case the parent company interferes beyond its authority as the owner, a member or shareholder, or 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 1 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 stipulated in clauses 3 and 4 of this Article, the creditors or shareholders, who hold at least 1% of the company’s charter capital on behalf of themselves 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 1 of a subsidiary makes profits for other subsidiaries of the same parent company, such subsidiaries shall jointly with the parent company responsible for returning profits to the subsidiary suffering from losses.

**Article 104d.** Financial statement of the parent company and its subsidiary

1. The fiscal year of a subsidiary shall be the same as one of the parent company unless the laws provide otherwise.

2. By the end of the fiscal year, beside the report and materials stipulated in article 118 of this law, a parent company shall have to make and submit the Members’ Council or the Shareholders’ Meeting the following additional reports:

   a. The final accounting report on loss or gain of the parent company and of all subsidiaries and of the whole group.

   b. Report on business situation, financial and management reports of the parent company and other subsidiaries at the end of the fiscal year.

Reports shall provide fair, trustworthy information and evaluation on loss, profits, the situation of the company and the group of companies.
3. Who is responsible for making reports stipulated in Clause 2 of this Article shall not make or submit such reports if he/she does not receive all financial statements from all subsidiaries.

4. Upon request from the legal representative of the parent company, the legal representatives of its subsidiaries has to provide necessary information for making profits-loss statement for the whole company, for all subsidiaries and the evaluation report on the management of the parent company.

5. 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.

6. 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 consolidated report can consist or exclude information from such subsidiaries, however, necessary explanation shall be made to avoid misunderstanding or wrong understanding.

7. Managers of the parent company shall make and submit the Members’ Council and the Shareholders’ Meeting or the owner of the parent company consolidated reports, report on monitoring and management of the whole group within 1 month from the date of receipt of all reports, documents, information as stipulated.

8. All reports, financial final accounting materials 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.

9. If a company is a subsidiary, beside reports stipulated in article 118 of this Law, by the end of the fiscal year it shall have to make and submit a report on the affiliation situation with the parent company, in which all transactions, cash flows and profits/loss between the parent company and the subsidiary in the last fiscal year shall be clearly mentioned.

CHAPTER VII
REORGANISATION, DISSOLUTION, AND BANKRUPTCY OF ENTERPRISES

Article 105. 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’ Meeting in conformity with this Law and the company’s Charter. Such a decision shall contain the following principal contents: name and head office of the divided enterprise; number of enterprises formed as a result of such division; principles and procedures for the division of the enterprise assets, the plan of labor usage, 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 newly-formed companies shall adopt the Charter thereof, elect or appoint the chairman of the Members’ Council, the Chairman of the company, the Board of Management, (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. After the completion of business registration of new companies, the divided company is wound up. All newly-formed entities shall jointly be liable to the outstanding debts, labor contracts, and/or other liabilities born by such divided enterprise or upon agreement so that one of the above companies exercise the above-mentioned obligations.

Article 106. 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’ Meeting in conformity with this Law and the company’s Charter. Such decision shall consist of the following main contents: 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 creditors and employees thereof within 15 days from the date of adoption of such decision.

b. The members, the owner, or the Shareholders’ Meeting 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 (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 of new company(ies), the separated company and the separating company(ies) shall jointly be liable to the outstanding debts, labor contracts, and/or other liabilities born by the such separating company(ies) except when separating company(ies), new established companies, creditors, customers and employees of companies have made different agreements.

Article 107. 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.

2. A consolidation shall be proceeded as follows:

   a. Related companies prepare the consolidation contract. The contract so prepared shall include the following principal contents: names and head offices of the consolidated companies; name and head office of the consolidating company; procedures and conditions for the consolidation; plans 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 consolidated companies shall adopt the consolidation contract, the Charter thereof, elect or appoint the Chairman of the Members’ Council, the Chairman of the company, the Board of Management, the (General) Director of the consolidating company; proceed with business registration 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. 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; except otherwise agreed by the companies.

Article 108. Merger of Enterprises

1. One or more companies of the same type (hereinafter called the merged company(ies)) can be merged into another company (hereinafter called the merging company) by means of transferring all legal assets, rights, liabilities, and interests into the merging, simultaneously with the winding up of the merged company.

2. A merger shall be proceeded as follows:
a. Related companies prepare the merger contract and draft of the Charter of the merging company. The contract so prepared shall include the following principal contents: name and head office of the merging company; name(s) and head office(s) of the merged company(ies); procedures and conditions for the merger; plans of labor usage; duration, procedures and conditions as to the transferal of assets and conversion of members’ capital contribution, shares and bonds of the merged company(ies) into those of the merging company; and duration for executing such merger;

b. Members, the owner, or shareholders of related companies shall adopt the merger contract, the Charter of the merging company; proceed with business registration 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 adoption.

3. After the completion of business registration of new companies, the merging company shall enjoy legal rights and interests, and be liable for the outstanding debts, labor contracts, and/or other liabilities born by the such merged company(ies); except otherwise agreed by the companies.

**Article 109. Transformation of enterprises**

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 - the transformed company) into a shareholding company, or a limited liability (hereinafter - the transforming company) shall be made in compliance with the following regulations:

1. the Members’ Council, the company Owner, or the Shareholders' 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 head office of the transformed company; name and 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 resolutions 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 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 110. Transformation of a one-member limited liability**
1. Where the owner of a one-member limited liability company makes a transfer of a part of the company’s charter capital to (an)other organisation(s) and/or individual(s), 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 Registrar. 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 one-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 Registrar to eliminate its company's name in business registration book, and the transferee shall register his/her business under the form of a private enterprise in compliance with regulations provided by this Law. The transferee shall receive all obligations, enjoy all legal rights and interests of the one-member limited liability company, unless otherwise agreed between the owner, the transferee, and the creditors thereof.

**Article 111. Circumstances where enterprises are subject to dissolution**

1. Termination of the operation duration as stated in the company’s Charter for which there is no resolution to renew.

2. 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' Meeting of shareholding companies.

3. Where a company or a partnership no longer satisfies the minimum number of member as required by this Law in 6 consecutive months.

4. Where there is a withdrawal of the certificate of business registration.

**Article 112. Dissolution procedures**

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

1. Adopting a resolution for such a dissolution in accordance with this Law. A resolution so adopted shall include the following principal contents:
   a. Name and 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 obligations raised from labor contracts;
   e. Signature of the legal representative of the enterprise.
1a. Owner, 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 provides otherwise.

2. Within 7 days from the date of adopting the dissolution resolution, such decision shall be forwarded to the Business Registrar, 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.

If the laws request newspaper publishing, the dissolution decision of the enterprise shall be published in 3 consecutive issues of a 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.

3. Liquidating assets of the enterprise and paying debts born by such enterprise.

4. Within 7 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 Registrar.

The Business Registrar, within 7 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.

5. 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 proceed in compliance with provisions as stipulated in this Article.

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

Article 112a. Activities prohibited since the company dissolution

1. Since the decision is made on dissolution of the enterprise, it is prohibited enterprises, enterprise managers to conduct the following activities:
   a. to hire or give away assets
   b. to remove or to reduce the debting right
   c. to transfer non-guarantee debts to guarantee debts by using enterprise’s assets
   d. to sing different types of contracts except contracts to dissolve enterprises
e. to mortgage, increase or lease assets
f. to terminate the execution of in-effect contracts
g. to borrow

2. The following transactions of dissolved enterprises can be implemented within 3 months before the dissolution decision can be considered invalid:
   a. To increase movable and immovable assets to others
   b. To pay bilateral contracts, of which the obligation of the dissolved enterprise is higher than the other party
   c. To mortgage against debts
   d. Other transactions for the purpose of hiring and giving away assets

3. Members, shareholders, owners and creditors of enterprises can request the Court to declare transactions stipulated in clause 2 of this Article invalid. Upon invalidity, collected assets have to be counted to the asset of the dissolved enterprise.

Article 112b. The order of allocating assets of the dissolved enterprise

The asset allocation of the dissolved enterprise should be conducted according to the following order:

1. dissolution fee
2. Obligations owed to salaries, allowance, social insurance as stipulated by the law, other benefits agreed according to labor union agreement and signed labor contracts.
3. Tax obligations
4. Other obligations
5. The remaining shall belong to private enterprises, members, shareholders or the company’s owner.

**Article 113. Bankruptcy**

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

**CHAPTER VIII**

**STATE MANAGEMENT UPON ENTERPRISES**

**Article 114. Contents of state management upon enterprises**

1. To issue, disseminate, and enforce legal documents on enterprises.

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 and manage training, 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 upon
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 enterprises; and to supervise business operations of
enterprises by the regime of periodical financial reports and other statements.

Article 115. State management body as to enterprises
1. The Government consolidates state management of enterprises.

2. Ministries, state organs of ministerial level, and governmental bodies, to the extent
of their authority and obligation, shall be responsible

a) Adopt within the powers guidelines to instruct the implementation decrees on
business conditions towards conditional business industries; managing the compliance
of business conditions toward conditional business industries within the state
managerial authority by the Ministry.

b) Gather, update and supply provisions on business conditions to conditional
business industries;

c). Promulgate or submit to the Government for the issuance of business conditions
for the sectors and business segments under the ministerial state management,
periodically or at the request of enterprises, business associations, review and evaluate
these business conditions and recommend the removal of unnecessary business
conditions. making changes to inappropriate business condition or recommend new
business conditions if needed.

d) Communicate and disseminate legal documents on conditional industries and
business conditions for them; legal documents regulating profession certification and
the legal capital.

dd) Develop and instruct the organization of managing conditional industries, monitor
and supervise the management implementation by provincial people’s committee,
agencies under the provincial people’s committees towards conditional industries or
business conditions;

e) Develop and instruct the methods for environmental protection, review and treat
environmental pollution;

f) Develop the Vietnamese standard system, quality standards for goods and services;
monitor and supervise the management of quality standard system of Vietnam and the
quality of goods and services.

g) Develop and instruct the organization of management of food safety, labor
hygiene;
3. People Committee of provinces and cities has the responsibility to:

a. Coordinate departments and other related agencies and the district people committees 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.

c. Direct the departments, other related agencies and district people committees to implement legal regulations about taxes and business conditions according to the laws and guidelines from the ministries and ministerial agencies or governmental agencies; directly solve or recommend the related authorities to deal with violations.

d. Organize the business registrar, decide on the personnel for the registrar of the provinces and implement the business registration in line with the regulations of the relevant laws and guidelines of the Ministry of Planning and Investment; direct and provide guidelines for the district and commune people committees to deal with administrative violations in business registration.

4. The Business Registrar shall be appointed by the Government.

**Article 116. Power and responsibility of the Business Registrar**

1. Settling business registration and granting the certificate of business registration in compliance with provisions stipulated by laws.

2. 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.

3. Where it is necessary for the enforcement of this Law, asking enterprises for reports of their business situation; supervising and speeding up performance of reporting regime of enterprises.

4. Examining directly or requesting authorized state bodies to check on enterprises as to the content of the file for business registration.

5. 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.

6. Being responsible before laws for beaches on administration of business registration.

7. Conducting other rights and responsibilities in compliance with provisions stipulated by laws.
Article 117. Inspection of business operations of enterprises

1. Inspection of business activities of enterprises can be undertaken periodically, by sector or ad hoc, through the business registrar as coordinating agency.

Periodic inspections are aimed to review the overall compliance with laws. Inspections by sector are aimed to access the compliance of legal regulations in a specific business sector. The periodic and by sector inspections shall not be made more than once a year for a specific enterprise.

The ad hoc inspection or investigation of an enterprise’s business activities can only be made when there is a sign that the enterprise violates laws or specific case arises.

2. Enterprises have the rights to appeal or bring to the court the relevant governmental authorities or the relevant civil servants for the decisions to inspect and investigate that are against the laws. The appeal and prosecution shall be done in accordance with the law on appeal and prosecution.

The person who make illegal decision of inspection or make use of inspection for self-seeking, harassing for bribes, causing awkwardness for operations of enterprises shall be disciplined or held criminally responsible according to violation; or shall make compensation for enterprises' losses (if any) in accordance with provisions stipulated by laws.

3. The Government shall provide detailed guidance on the authorities, content, formality and the process of inspection, investigation and the coordination between relevant government agencies in this regard.

Article 118. Accounting system, statistics and financial statements of enterprises

1. Enterprise accounting and statistic system is implemented in accordance with Vietnamese laws on accounting and statistic. In case the enterprise needs to follow another popular accounting system, with reasonable justification, it can do so with the approval of the Ministry of Finance.

2. The financial year of an enterprise shall commence on 1st January and end on 31st December of the calendar year. The first financial year of an enterprise shall start from the date it is granted the certificate of business registration and end at the last day of the year.

In case an enterprise needs to apply another financial year, it needs the approval of the Ministry of Finance

Enterprise’s manager shall make, take notes, update and keep accounting documents, accounting books and notes to fully reflect transactions and financial situation of the enterprise; make financial statements and other reports trustfully and fairly.

A parent company’s financial statements are the consolidated statements of the group of companies.

All mentioned documents should be kept in such an order and procedure so that the checking and auditing can be done appropriately and conveniently.

2. Annual financial reports of the enterprise shall be made in accordance with the lawful regulations on accounting.
3. All enterprises shall send complete financial statements to the Tax Agency according to the lawful regulations.

4. Within 30 days regarding private enterprises and partnerships, 90 days regarding limited liability companies and shareholding companies, from the end date of the fiscal year a brief financial report or the annual consolidated financial report of the enterprise made according the regulated form must be sent to the competent Business Registrar; for the consolidated financial statement, a brief of financial statements of subsidiaries shall be enclosed.

5. Invoices, accounting books, financial statements, reports and other related document enterprises should be kept for at least 5 years.

6. If enterprises do not make, take notes, update and keep invoices, accounting books, financial statements, reports and other documents trustfully and in accordance with the lawful regulations, members of the Board of members, the chairman of the company or members of the Board of Management shall be jointly responsible for all liabilities and other obligations of the enterprise.

Article 118.a Audit of annual financial statements

Annual financial statements of enterprise with more that 50% of capital owned by the State or foreign investors and of joint stock companies must be audited.

The audit shall be implemented in compliance with the relevant laws and regulations on audit.

Article 118 b. Enterprise’s document keeping system

1. Subject to the legal form, and enterprise must keep the following documents:
   a. Company’s Charter, revisions and additions to charter, internal management regulations, shareholders or members listing;
   b. Business registration, revisions and additions to the business registration; industrial property certificates; product quality registration certificate, all other licenses and certificates
   c. Documents certifying the ownership over assets of the enterprise
   d. Minutes of meeting of the Shareholders General Meetings, Members Committees, Board of Management and the passed resolutions
dd. Prospectus
   e. Report of the Control Board, resolutions of the inspection agencies, independent audit companies;
   f. Accounting books, accounting documents and annual financial statements
   g. Other documents as required by the law
2. Enterprise must keep the documents mentioned in the item 1. of this Article at its head office. The archive time is according to the Law.

CHAPTER IX
COMMENDATION, REWARD,
AND SETTLEMENT OF BREACHES

Article 119. Commendation and reward
Organisations and individuals that make excellent achievements in doing business, in developing and enhancing effectiveness and competitiveness of enterprises, and make great contributions into the country's task of construction, protection, and development shall be commended and rewarded in accordance with provisions of laws.

**Article 120. Breaches of the Enterprise Law**

1. Granting the certificate of business registration to unqualified applicants, or rejecting applicants deemed eligible in compliance with this Law for such certificate.

2. Violating regulations on controlling and inspecting enterprises' operations.

3. Doing business in the status of an enterprise without having made registration for it in compliance with this Law; or continue business after having the certificate for business registration withdrawn.

4. Notifying untruthfully, inaccurately, untimely contents and changes in contents of the file for business registration of enterprises.

5. Deliberately drawing an evaluation of assets used for the purpose of making capital contribution at a higher value than their real value.

6. Failing to lodge the annual financial statements to the authorised state agencies as provided by this Law, or submitting untruthful and inaccurate version of such statements.

7. Preventing members, owners, or shareholders from exercising their lawful rights as stipulated in this Law or the enterprise Charter.

8. Other behaviors violating provisions of this Law.

**Article 121. Measures in settlement of 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 laws.

2. Where the breaches causes 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.

3. An enterprise shall have its certificate of business registration withdrawn 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 the Article 9 of this law;
   c. the tax ID is not registered for 1 year since the issuance of the business registration certificate;
d. do not operate in the registered location within 1 year from the date of issuance of the business registration certificate or the certificate of changing head office.
dd. no reports on business operations of the enterprise are sent to the business registrar for two consecutive years.

e. Stop business activities for a year without notifying the business registrar;
f. Do not submit reports as provided for at Clause 3, Article 116 of this Law to the Business registrar within 3 months from the date of receiving a written notice;
g. Undertakes business operations in prohibited industries.
h. Other circumstances regulated by the Government.

CHAPTER X
ENFORCEMENT PROVISIONS

Article 122. Enforcement
1. This Law shall be of full force and effect as of the 1st January 2000.


3. All previous regulations in contradiction with this Law shall be removed, including but not limited to the following regulations:

Article 123. Application as to enterprises established prior to enforcement of this Law
1. Limited liability companies, shareholding companies, private enterprises and partnerships which were set up in accordance with the Enterprise Law dated 12 June 1999 do not need to re-register

2. Enterprises with foreign investment capital established before the enactment of the Law have the right to:
   a. Re-register and organize the management and activities according to this Law. The re-register must be done within 2 years from the date of effect of this Law. In this case, the business registration certificate will replace the Investment License and the enterprise shall no longer be entitled to rights and benefits stipulated in the Investment License.
   b. Do not re-register according to this Law; in this case the enterprise shall only be allowed to carry business activities in the sector and in the period as stipulated in the Investment License and will continue to be entitled to the rights and benefits mentioned in the Investment Licenses.

3. Household businesses that employ over 10 permanent employee or have more than one business location should register to operate as enterprise according to this Law.

Smaller-size business households shall register and operate under regulations set by the Government.
**Article 124. Enforcement guides**
The Government shall make detailed stipulations and guidance to enforcement of this Law./.

*This Law was approved on .......2005 .at the ....... Session by the 11th Legislature of the National Assembly of the Socialist Republic of Vietnam.*