

3. In case where there are discrepancies between international treaties in which Vietnam is a member and this law, those international treaties shall prevail.

Article 4. Interpretation of terminology

For the purposes of this law, following terms shall be construed hereafter:

1. *Enterprise* means an economic organization that has its own name, assets, stable office and is duly constituted for the purpose of conducting business.

2. *Business*

10. *Founding member* means organization and/or individual that made capital contribution, participated in, approved and signed in the original Charter of a company.

11. *Shareholder* means organization and/or individual owing no less than one share issued by a shareholding company. *Founding shareholder* means shareholder who participated in, approved and signed in the original charter of a shareholding company.

12. *General partner* means individual who will be responsible for all liabilities of a partnership with his/her own entire property.

13. *Enterprise manager* means the owner, director of sole proprietorship, general partners of partnership; chairman of the Members' Council, chairman of the

regardless of ownership and economic component and recognizes the lawful profitability of business activities.

2. The State recognizes and protects ownership rights, invested capital, income, rights and other lawful interests of

good customs of Vietnam, health of the people, natural resources and environment are strictly prohibited.

The Government will specify in detailed the list of business activities that are prohibited.

4. The Government will review and examine periodically business conditions in order to annul or recommend to annul any business condition that is no longer necessary; to amend or recommend to amend any business condition that is no longer inappropriate; to issue or recommend to issue new business condition necessary to the requirement of state management.

5. Ministry, the People's Council and Committee at all level are not allowed to stipulate or decide on conditioned business activities and conditions thereof.

Article 8. Rights of enterprises

1. Conduct business; choose, by its own initiative, business activities, localities, and form of investment; expand business in terms of size and business activities; are encouraged, facilitated and given incentives, by the state, in producing or providing public goods or services.

2. Choose form and way of mobilizing, distributing and utilize capital;

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

4. Import and export;

12. Other rights as provided by the laws.

Article 9. Obligations of enterprises

1. Conduct business activities that are recorded in the Certificate of Business Registration; ensure fulfillment of business conditions as required by laws;
2. Do accounting, make and submit financial reports faithfully, accurately and

5. Ensuring equality of every customers;
6. Being responsible to customers and laws in ensuring quality, quantity, conditions, prices and fees of the provided goods or services;
7. Other obligations as stipulated in the laws.

Article 11. Prohibited activities

1. Grant or do not grant the Certificate of Business Registration to persons who are not eligible or are eligible under this law respectively; cause delay, trouble, obstacle and disturbance for persons who apply for business registration and business operation of enterprises.

2. Do business in form of unregistered enterprises or continue to do business after being revoked the Certificate of Business Registration.

3. Submit a business file containing dishonest and inaccurate information; register changes in the business file with dishonest, inaccurate and ill-timed information;

4. Fake the amount of capital; do not contribute capital in conformity with time and amount as committed; fix a higher value of contributed assets;

5. Conduct activities in violating the law, defrauding or prohibited by laws;

6. Conduct conditioned business activities when conditions thereof are not fully meet.

7. Prevent owners, shareholders and members of enterprises from realizing their rights as provided by this law and company charters.

8. Other activities prohibited by laws.

Article 12. Duty of keeping documents

1. Depending on the forms of enterprises, following documents are required to keep by enterprises:

a) The company charter and its amendment or supplement; internal working rules; registered list of shareholders or members of enterprises.

b) The Certificate of Business Registration; certificate of intellectual property protection; certificate of good quality; licenses or permits and other certificates;

- c) Documents recording ownership of the company properties;
 - d) Records of the Members' council, Members' Meeting, Board of Directors and decisions of the enterprises;
 - e) Prospectus for offering security;
 - f) Reports of the Board of Supervision, conclusions of the inspection bodies and independent auditing agencies;
 - g) Accounting books, receipts and annual financial statements;
 - h) Other documents as required by laws.
2. Enterprises are required to keep all those documents as provided in this article at the head-office; keeping time will be that stipulated by laws.

CHAPTER II

ESTABLISHMENT AND BUSINESS REGISTRATION

Article 13. The right to establishment, capital contribution, share buying and management of enterprises

1. Vietnamese and foreign organizations and individuals are entitled to establish and manage enterprises in Vietnam in pursuant to this law, except those provided in sub-article 2 of this article.
2. Following organizations and individuals are not entitled to establish and manage enterprises:
- a) State bodies and units of the people's armed force that use state assets to set up enterprises for making their own profits.
 - b) Cadres, civil servants as stipulated by the laws on cadres and civil servants;
 - c) Officers, non-commissioned officers, professional army members, military workers at bodies, units of the people's army; officers, professional non-commissioned officers working in the bodies, units of the people's police;
 - d) Minors; persons without or with restricted capacity for civil acts;

e) Persons who are serving an imprisoned punishment or prohibited to do business by the Court.

g) Other organizations and individuals as stipulated by the law on bankruptcy.

3. Organizations and individuals are entitled to buy shares from shareholding companies, make capital contribution to limited liability companies and partnerships in pursuant to this law, except those provided in sub-article 4 of this article.

4. Following organizations and individuals are not entitled to buy shares from shareholding companies and make capital contribution to limited liability companies and partnerships:

a) State bodies and units of the people's armed force that use state assets to set up enterprises for making their own profits;

b) Persons who are not entitled to contribute capital into enterprises as stipulated by the laws on cadres and civil servants.

Article 14. Contracts signed prior to business registration

1. Founding members and shareholders or their representatives can engage in contracts for the purpose of enterprise establishment prior to applying for business registration.

2. All rights and obligations resulting from contracts as stipulated in sub-article 1 of this article will be born by the enterprises that are established afterward.

3. If the enterprises fail to be established, the signing persons as stipulated in sub-article 1 of this article will be solely or jointly liable for the performance of such contracts.

Article 15. Procedures for registering businesses

1. Persons decided to establish an enterprise must submit a complete file to the competent business registrar as stipulated by this law and will be responsible for accuracy and truthfulness of information contained in the file

2. The business registrar will review the file and decide to issue the certificate of business registration within 10 working days from the date of receiving the file; a

3. The business registrar will be responsible for the validity of the file when issuing the certificate of business registration; and is prohibited from asking applicants for any document rather than those demanded by this law.

4. Time limit for issuing the certificate of business registration in circumstance where business registration is done together with realizing specific investment projects will be complying with the laws on investment.

Article 16. Business registration file in relation to sole proprietorship

1. Application form as standardized by the business registrar.

2. Copy of the identification card, passport or other relevant personal certification.

3. Certification of legal capital issued by the competent agencies in regard to business activities required legal capital as stipulated by laws.

4. Professional certificate of a director or other individual in regard to business activities required professional certificate as stipulated by laws.

Article 17. Business registration file in relation to partnership

1. Application form as standardized by the business registrar.

2. Draft of the partnership charter;

3. List of partners; copy the identification card, passport or other relevant personal certification of partners.

4. Certification of legal capital issued by the competent agencies in regard to business activities required legal capital as stipulated by laws.

5. Professional certificate of general partners or other individual in regard to business activities required professional certificate as stipulated by laws.

Article 18. Business registration file in relation to limited liability company

1. Application form as standardized by the business registrar.

2. Draft of the company charter;

3. List of members, which is attached by following documents:

a) Copy of an identification card, passport or other relevant personal certification of the individual members.

b) Copy of a decision of establishment, certificate of business registration or other relevant certification of the institutional members; Copy of an identification card, passport or other relevant personal certification of the authorized representatives.

Copy of a decision of establishment, certificate of business registration or other relevant certification of the foreign institutional members must be legalized, no latter than three months, by agencies where such members are constituted.

4. Certification of legal capital issued by the competent agencies in regard to business activities required legal capital as stipulated by laws.

5. Professional certificate of directors or general directors or other individual in regard to business activities required professional certificate as stipulated by laws.

Article 19. Business registration file in rel3.9(1)-in rT.4(r3.9(1)-31(i)-4(dualg3(ors)r5(rtifi)-5c031d

20. File, procedures and conditions for registration of business-investment in relation to foreign investors who invest in Vietnam for the first time

File, procedure and conditions for registration of business-investment in relation to foreign investors who invest in Vietnam for the first time will be complying with this law and law on investment. Certificate of investment will be construed as certificate of business registration.

21. Contents of the application form

1. Company name;
2. Address of the company head-office, telephone number, fax, email address (if any);

4. Full name, address, nationality and other 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 lbi10.2()-5.-5.3(i.3(il/e.5)5.3(fo

15. Other agreements made by members or shareholders in compliance with laws.

Article 23. List of members of limited liability company and partnership; list of founding shareholders of shareholding company

The list of members of limited liability company and partnership, and the list of founding shareholders of shareholding company will be made in form as standardized by the business registrar and must contain information as follows:

1. Full name, address, nationality, resident address and other relevant identifications of members of limited liability company and partnership; and that of founding shareholders of shareholding company;

2. Capital share, value of capital share, type, quantity and value of contributed assets and schedule for capital contribution of every members with respect to limited liability company and partnership; number and types of shares, type, quantity, and value of contributed assets of every founding shareholders with respect to shareholding company;

3. Full name and signature of the legal representative of members or founding shareholders or their authorized representatives with respect to limited liability company and shareholding company; that of general partners with respect to partnership.

Article 24. Conditions for issuing the certificate of business registration

Article 25. Contents of the certificate of business registration

1. Enterprise name, addresses of head office, branches and/or representative offices (if any);

1. Within 7 days from issuing date of the certificate of business registration or registration of changes in business registrati

2. Any change in the business registration file is also required to publish by enterprises in compliance with the time limit and method as stipulated in sub-article 1 of this Article.

Article 29. Transfer of property ownership

1. Members of limited liability company and partnership, and shareholders of

founding shareholders will be jointly liable to debts or other financial obligations of the enterprise in equivalent to difference between the agreed and accurate value of assets.

3. Valuation of assets used to make capital contribution during the enterprise operation must be agreed by such enterprise and capital contributor or done by an independent organization. If such assets are valued by an independent organization, their value must be agreed by enterprise and capital contributor. If contributed assets are given a higher value, capital contributor or independent organization and legal representative of the enterprise will be jointly liable to debts and other financial obligations of the enterprise in equivalent to difference between the agreed and accurate value of assets.

Article 31. Enterprise name

1. Name of an enterprise must be written in Vietnamese, may comprise of numeric and symbols, and must be able to pronounce and have at least two components as follows:

- a) Type of business organization;
- b) Distinct name.

2. The enterprise name must be presented or appeared at the head office, branches, representative offices. Such name is also required to be printed on all transactional papers, dossiers or publications of the enterprise.

3. In pursuant to articles 32, 33 and 34 of this law, the business registrar is

Article 33. Enterprise name in foreign languages

1. The enterprise name in a foreign language is that translated from Vietnamese into such a foreign language. Translation can be done without or with translating the

number, name of street or village, commune, town, district, province or city and telephone number, facsimile number and email address, if any.

2. Enterprises are required to inform the business registrar about opening time of the head office no latter than 15 days from the date of being granted the certificate of business registration.

Article 36. The enterprise seal

1. Enterprises are given a distinct seal. The enterprise must keep its seal at its head office. Design and contents of the seal as well as conditions for making seal and seal usage will be stipulated by the Government.

2. Seal is a property of the enterprise. The legal representative of the enterprise must be responsible for the management of the seal usage in pursuant to the laws. Enterprises can have a duplicate of seal if they obtain an approval from the issuing authority.

Article 37. Representative offices, branches and business places of enterprises

1. A representative office is an affiliated unit of the enterprises and is authorized to act in behalf of the enterprises. Organization and operation of the representative office will be complying with the laws.

2. A branch is an affiliated unit ofRetio3(t)5.3()6.5(,3of s(kee(re)77 5A s(k7()-5fTD0 TcuDnc0 Twl

CHAPTER III

LIMITED LIABILITY COMPANY

PART I

**LIMITED LIABILITY COMPANY
WITH MORE THAN ONE MEMBER**

Article 38. Limited liability company

1. Limited liability company is an enterprise of which:

a) Members can be organizations and/or individuals; total number of members is of no more fifty.

toward the company; such a member will be liable to any loss as a result of his/her failure in making adequate capital contribution.

3. If the capital contribution is not fully made within the time limit as committed, deficiency in the capital contribution can be paid up by:

- a) one or several other members;
- b) a new member;
- c) all other members in proportion to their capital share.

When the deficiency in the capital contribution is fully paid up, members that do not make capital contribution as committed will be automatically considered not as members of the enterprise and the enterprise is required to register this change with the business registrar.

4. As soon as the capital contribution is fully paid up, members will be granted the certificate of capital contribution by the company. The certificate of capital contribution must contain following contents:

- a) Name and head office of the company;
- b) The charter capital;
- c) Full name, resident address, nationality, number of identification card,

a) Name and head office of the company;

b) Full name, resident address, nationality, number of identification card, passport or other personal certification of the individual member; name, head office, nationality, number of establishment or registration of the institutional member;

c) Capital share and value of contributed capital of each member; date of making capital contribution; types, quantity and value of assets used to make capital contribution;

d) Signature of the individual members and legal representative of the institutional members.

e) Number and issuing date of the certificate of capital contribution.

2. The book of member registration will be kept at the head office of the enterprises.

Article 41. Rights of Members

1. Members of a limited liability company with more than one member have right to:

a) Participate in the Members' Council meetings as well as discuss, make suggestions and vote on matters therein;

b) vote in proportion to their capital share;

c) Check, review, extract and copy the book of member registration, transaction keeping books, accounting books, annual financial statements or report, meeting minutes and other documents issued by the enterprise;

d) Be distributed profits in proportion to their capital share;

e) Be given preemption in making further capital contribution when the enterprises increase their charter capital; transfer partially or wholly their capital share in pursuant to this law;

f) Complain or petition against director or general director who fails to fulfill his/her obligations so as to cause losses and damages to members or enterprises, in pursuant to the laws;

g) Dispose of their capital share by transferring, inheriting, donating or other way in pursuant to the laws and the enterprise charter.

h) Be given other rights in pursuant to this law and the enterprise 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 provided in sub-article 3 of this Article, is entitled to call out a Members' Council meeting to decide on matters thereof;

3. If there is a member holding more than 75% of the charter capital and the enterprise charter does not stipulate any smaller ratio as mentioned in the sub-article 2 of this article, group of all minor members will be eligible to the right as stipulated in the sub-article 2 of this article.

Article 42. Obligations of members

1. Making capital contribution fully and promptly as committed and being liable to debts and other obligations of the company in proportion to the amount of capital committed to contribute; not permitted to withdraw capital from the company in any form otherwise stipulated in articles 31, 32, 33 and 43 of this law

2. Complying with the company charter;

3. Abiding by decisions of the members' Council;

4. Being liable individually when acting on behalf of the enterprise to:

a) violate the laws;

b) engage in transactions or businesses not for profit of the company but causing loss and damage to third party;

c) pay off undue debts when there is a financial danger facing the company.

Article 43. Buy-back of capital share

1. An enterprise member is entitled to request the enterprises to buy back his/her capital share if such a member votes against decisions of the members' Council in relation to following matters:

a) Amendment and/or supplementation of contents in the company charter in relation to rights and obligations of members and the members' Council;

b) Reorganization of the company;

c) Other matters as stipulated in the company charter.

The request of capital share buy-back must be in writing and submitted to the company within 15 days from the date of approving related matters as provided in item a, b, and c of this sub-article.

2. If an agreement on the price of capital share between member and the company can not be reached, the company is required to buy back that capital share with a market price or price specified by principles as stipulated in the company charter within 15 days from the date of receiving the request. Payment of buy-back capital share will be made only if the company is capable of paying off due debts and other financial obligations after paying off such a buy-back capital share.

3. If the company does not buy back the capital share as stipulated in sub-article 2 of this article, member are entitled to transfer his/her capital share to other members or any one else.

Article 44. Transfer of capital share

A member of the limited liability company with more than two members is entitled to transfer partially or wholly his/her capital share to third party in complying with provisions as follows:

1. Such a capital share will be offered equally to all other members of the company in proportion to their capital shares.

2. Such a capital share is permitted to transfer to any third party if all remaining members of the company refuse to buy or are unable to buy up such a capital share.

Article 45. Treatment of capital share in other circumstances

1. If individual members of the limited liability company are dead or declared to be dead by the court, their heirs will automatically become replacing members of the company.

2. If individual members of the limited liability company is lost or restricted capacity for civil acts, rights and obligations of such those member will be exercised through their guardians.

3. The capital share of a company member will be bought back or transferred in complying with articles 43 and 44 of this law if:

a) heirs of that member refuses to become the company member;

b) donees of that member as stipulated in sub-article 5 of this article are not approved to become the company members by the members' council;

c) the member is an organization that is eased to exist or bankrupt.

4. If an individual member is dead and has no heir or heir refused or is prohibited to inherit his/her capital share, such a capital share will be treated in complying with the civil law.

5. A company member is entitled to donate or give partially or wholly his/her capital share to another person.

The donee will become a member of the company if he/she is either a relative of the donating member within three generation of kinship or accepted by the members' council.

representatives in the members' council. Meeting of the members' council must be convened annually otherwise stipulated by the company charter.

2. The member's council has rights and obligations as follows:

a) Name, head office, nationality, number and date of establishment or registration.

b) Capital share, number and issuing date of the certificate of capital share;

c) Full name, resident address, nationality, number of identification card, passport or other personal certification of the authorized representative; .

d) Duration of authorization

The Chairman is responsible to prepare agenda, contents, documents of and convenes the meeting. Members can recommend matters to be included in the meeting agenda. Recommendation must be in writing and contain following contents:

a) Name, resident address, nationality, number of identification card, passport or other personal certification of the individual members; name, address, nationality, number of establishment or registration of the institutional members; full name, signature of members or authorized representatives;

b) Capital share, number and issuing date of the certificate of capital share;

c) Recommendations to be included in the meeting agenda;

d) Reasons for recommendations;

The Chairman is required to accept the recommendation and incorporate it into the meeting agenda if it contains all above-mentioned contents and sent to the head office at least one day before the date of opening the meeting of the members' council; The recommendation that is submitted shortly before opening of the meeting of the Members' Council is accepted only if a majority of members attended the meeting approves.

2. The meeting invitation can be in form of sending notification, telephone, fax or email as stipulated by the company charter and must be sent directly to each member. The meeting invitation must specify clearly time, venue and agenda of the meeting.

Agenda and materials of the meeting are required to send to all members before opening of the meeting. Materials related to amendment and supplement of the company charter, development strategy of the company, annual financial reports, reorganization or liquidation of the company are required to send to all members at least two days before opening of the meeting. Time limit for sending other meeting materials will be stipulated by the company charter.

3. Member or group of members as stipulated in article 41(2)&(3) of this law is entitled to call out meeting of the members' council if the chairman of the members' council does not convene the meeting at a request made by such a member or group of members within fifteen days from the date of receiving the request; under this circumstance, the business registrar may be invited to be an observer during convocation of the meeting; moreover, such member or group of members, themselves or on behalf of the company, can petition the chairman in relation to

his/her failure to exercise fiduciary obligations of the manager and losses caused to them.

4. Request for calling out a meeting of the members' council as stipulated in article 50(3) must be in writing and contain contents as follows, otherwise provided by the company charter:

a) Full name, resident address, nationality, number of identification card, passport or other personal certification of the individual members; name, address, nationality and number of establishment or registration of the institutional members; capital share, number and issuing date of the certificate of capital share.

b) Reasons for calling out meeting of the members' council and matters proposed to discuss;

c) Proposed agenda;

d) Full name and signature of each requesting member or their representative.

5. If the request for calling out a meeting of the members' council does not contain full contents as stipulated in arti

Article 53. Minutes of the meeting of the Members' Council

1. All meetings of the Members' Council must be recorded in a meeting book.

b) Name, address, nationality, number of identification card, passport or other personal certification, capital share of the member;

c) Voting matters and proposed votes “for”, “against” and “blank”;

d) Deadline for sending the voting form back to the company;

e) Name and signature of the Chairman and members of the Members’ Council.

The voting form (inquiry) that is fully and accurately filled up and sent to the company within time limit will be considered as valid.

3. The chairman will be in charge of counting votes, making report and sending the voting result as well as decisions to all members within 7 days from the deadline for sending back the voting inquiry to the company. Report on the voting result must contain contents as stipulated in article 53(2) of this law.

l) Hiring employees;

m) Other rights and duties as stipulated in the company charter and labor contract signed between him/her and the company in complying with decision of the members' council.

Article 56. Obligations of members of the Members' Council, director or general director

1. The members of the Members' Council and director or general director will have following obligations:

a) Performing rights and obligations in a fiduciary, diligent and optimal manner in order to maximize benefit of the company owners and the company itself;

b) Pledging loyalty toward profits of the company; not permitted to make use of information, know-how, business opportunity of the company; not permitted to abuse position, powers and property of the company for benefits of themselves or other organizations or individuals;

c) Notifying promptly, fully and accurately the company of enterprises in which they or their related persons are sole owner or major shareholders. Such a notification must be displayed at the head office of the company and branches.

d) Other obligations as stipulated in the laws and the company charter.

2. Director or general director is prohibited from raising salary or paying bonus if the company is incapable of paying off due debts.

Article 57. Qualification of director or general director

1. Director or general director must have qualifications as follows:

a) having capacity for civil act and not prohibited from managing an enterprise as stipulated in this law;

b) owning 10% or more of the charter capital or being a person with expertise and experiences in relation to business management or major business activities of the company; the company charter can stipulate other qualifications.

2. Wife, husband, father, foster father, mother, foster mother, child, adopted child, or sibling of the managers or person who has power to appoint managers of a company in which the state owned capital share accounts for more than 50% of the

charter capital can not be director or general director of a subsidiary of such a company.

Article 58. Remuneration, salary and bonus of members of the Members' Council and director or general director

1. The company is entitled to calculate remuneration, salary and bonus of members of the Members' Council and director or general director basing on business performance of the company.

2. Remuneration and salary of the director or general director and managers will be deducted from business expenses of the company in complying with the laws on income tax, related regulations and must be separated in a section of the annual financial report.

Article 59. Contracts subjected to approval of the Members' Council

1. Following contracts must be approved by the members' council if they are concluded between the company and:

a) its members or their authorized representative, director or general director and legal representative of the company; or

b) Related persons of the people as stipulated in article 59(1)(a); or

c) Managers or person who has power to appoint managers of its parent company; or

d) Related persons of people as

Article 60. Raising and reducing the charter capital

1. The charter capital can be raised, in complying with a decision of the Members' Council, in form of:

- a) contributing further by the members;
- b) raising the charter capital so as to fit the increased value of assets of the

by another way, the company owner will be liable to all debts and other financial obligations of the company.

2. If the company owner transfers a part of its capital to another person the company will be transformed into limited liability company with more than one member and such transformation is required register with the business registrar within fifteen days from the date of transferring capital.

Article 67. Structure of organizational management of the sole member limited liability company whose owner is an organization

1. The company owner will authorized one or more individuals, with a term of less than five years, to exercise his/her rights and obligations as stipulated in this law

1. Director or general director will be appointed or hired by the members' council or chairman of the company with a three year term or less. He or she will run the day-to-day business operation of the company and is responsible to the members' council or chairman of the company in exercising assigned rights and obligations.

2. Director or general director will have following powers:

a) Implementing decisions of the members' council or chairman of the company;

b) Deciding on matters in relation to day-to-day business operation of the company;

c) Implementing business and investment plans of the company;

d) Stipulating rules on internal management of the company;

e) Appointing, exempting and dismissing managers except those are appointed and dismissed by the chairman of the members' council or chairman of the company;

f) Concluding contracts on behalf of the company except that must be concluded by the chairman of the members' council or chairman of the company;

g) Making proposal on organizational management of the company;

h) Submitting annual financial report to the members' council or chairman of the company;

i) Making proposal on distribution of profits or settlement of losses;

k) Hiring employees;

c) Having expertise and experiences in relation to business management or major business activities of the company; the company charter can stipulate other qualifications.

Article 71. Supervisors

1. The company owner will appoint from one to three supervisors with a three year term or less. Supervisors are responsible to the company owner in exercising their rights and obligations.

2. Supervisors will have following duties:

a) Inspecting lawfulness, fiduciary and diligence of the members' council, chairman of the company and director or general director in performing their respective rights, duties and obligations;

b) Examining the reports on financial statement, business performance, management and others before submitting them to the company owner and relevant state agencies; submitting the company owner examination report thereof.

c) Recommending proposals for change and adjustment of the organizational management of the company;

d) Other obligations as stipulated in the company charter or decisions made by the company owner.

3. Supervisors are entitled to review any document of the company at the head office, branches or representative offices. Members of the Members' Council, chairman of the company, director or general director and other managers are required to provide fully and promptly information in relation to business and management performance as requested by the supervisors.

4. Supervisors are required to meap

c) Having expertise and experiences in relation to accounting or auditing; having expertise and experiences in relation to major business activities of the company; the company charter can stipulate other qualifications.

Article 72. Duties of members of the members' council, chairman of the company, director or general director and supervisors

Members of the members' council, chairman of the company, director or general director and supervisors will have following duties:

a) Complying with the laws, company charter, decisions of the company owner in performing their assigned rights and obligations;

b) Performing assigned rights and obligations in a fiduciary, diligent and best

of the company's annual financial statement and reported to the annual Shareholders' Meeting.

Article 74. Organization of management of individual-style one-member limited liability company

1. The organization of an individual-style one-member limited liability company shall consist of: President, the (general) director. The company's owner shall be the company's president. The company's president or (general) director shall be the company's legal representative, being stipulated in the company's charter.

2. The company's president can be the company's (general) director, or hire others to take the position.

3. Specific rights, obligations and duties of the director shall be stipulated in the company's charter, the labour contract signed by the company's president and (general) director.

Article 75. Dealing with contracts, transactions between the company and related persons

1. Contracts of all types between the organization-style one-member limited liability company and the following partners shall be considered and approved by the Members' Council, the President, the (general) director and controllers in accordance with the majority principle; each of them shall have one vote :

- 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.

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.

2. Contracts and transactions as stipulated in clause 1 of this Article shall be approved if they meet the following conditions:

a. All parties of the contracts or the transactions shall be independent legal entities, having separate rights, obligations and assets.

b. The price quoted in the contracts or the transactions shall be the market price at the time of the contracts' being signed or the transactions' being exercised.

c. The company's owner shall comply with the provisions of clause 4 of Article 54 of this Law.

CHAPTER IV

SHAREHOLDING COMPANY

Article 77. Shareholding companies

1. A shareholding company is an enterprise where:

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

b. 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.

c. 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.

d. 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;

2. A shareholding company shall have its legal status as soon as it is granted the certificate of business registration.

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

Article 78. 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.

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

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. Review and extract the minute book and other resolution of the Board of Management, mid-year and annual financial reports in the format of the Vietnamese accounting system and other reports of the Control Board.

c. Report the convening of the Shareholders' Meeting in the case as stipulated in clause 3 of this Article.

d. 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

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

5. Ordinary shareholders will be personally responsible for the following behaviors:

a. Violate provisions of the law;

b. 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;

c. To pay in full all undue debts which encounter with financial dangers toward the company.

Article 81. Voting preference shares and rights of 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. 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, 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 83. 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 84. Ordinary shares of founding shareholders

1. Founding shareholders shall subscribe at least 20% of the total ordinary shares which may be offered for sale; and have to pay in full for the subscribed shares within 90 days from the date that the certificate of business registration for the company is granted.
2. Within 90 days from the date that the certificate of business registration for

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

Article 85. Share certificate

1. Certificates issued by a shareholding

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

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

The Government will have regulations on the private placement.

Article 88. Issuance of bonds

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

2. 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.

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

3. 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 89. 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 90. 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 Ar

Shareholders who agree to resell their shares must send their offers to the

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 enabli

Article 95. 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

h. 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;

i. Determine the reconstruction and dissolution of the company;

j. 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.

Article 97. 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.

5. Where the Board of Management fails to convene the Shareholders' Meeting as stipulated in clause 4 of this Article, within the next 30 days, the Control Board in

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 99. 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 79 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

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.

3. 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.

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

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

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

Article 103. Procedures of conducting 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; the person who receives the highest number of votes shall chair the Meeting.

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

d. The Shareholders' 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.

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:

Article 104. 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.

2. Unless otherwise provided in the company's Charter, 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. Decision on types of shares and numbers of each type of share which can be offered for sale.

d. Election, dismissal of members of the Board of Members, and the Control Board

dd. Decide on the investment or sale of assets which are more than or equal to 50% of the total value of the company's assets written in the latest financial report, unless otherwise provided another percentage by the company's charter.

e. Approval of the annual financial report.

g. Re-organization or dissolution 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. Voting for electing members of the Board of Members and the Control Board will be implemented by accumulatively calculating the votes, that is each shareholder shall be entitled to have the voting cards corresponding to the total amount of shares

they own multiplied by the number of elected members of the Board of Management or the Control Board, and the shareholder can accumulate their voting cards for one or a number of candidates.

4. 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 agen

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 envelopes 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.

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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 106. Minutes of sessions of the Shareholders' Meeting

2. The Board of Management shall hold the following rights and obligations:
 - i. Supervise and guide the (general) directors and other managers in managing

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

n. 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;

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

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

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

4. When exercising the rights and obligations, the Board of Management has to comply with all provisions of 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 Ch

3. If a new member is additionally elected or replaces a dismissed member during the term, the term of this member will be the remaining term of the Board of Management.

4. Members of the Board of Managements are not necessarily the company's shareholders.

Article 110. Criteria of members of the Board of Management.

1. Members of the Board of Management should meet the following criteria:

a. Having enough capacity for civil acts and are not prohibited to establish enterprises as stipulated by this Law;

b. Any individual shareholders own at least 5% of ordinary shares of the company or others owning expertise and experience in business managements or in business line (s) of the company, or other criteria as stipulated by the company's charter.

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

Article 111. Chairman of the Board of Management

1. The company's Charter shall regulate whether the Shareholders' Meeting or the Board of Management elect the Chairman. In the later case, 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;

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

5. 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.

6. If the company's charter does not provide differently, the chairman of the Board of Management or the person who convenes the meeting of the Board of Management has to send invitations at least 5 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.

7. The chairman or the person who convenes the meeting 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.

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

Members who do not directly participate can vote by 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.

A resolution of the Board of Management shall be adopted where it is so done by the majority of the attending members. In the event there is equality to the numbers of contradicting votes, decision of the Chairman shall be the final one.

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

Article 113. Meeting Minutes of the Board of Management

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

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

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

2. 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.

The term of the (general) director is not more than 5 years and can be renewed with unlimited number of terms.

The criteria of the (general) director are applied as stipulated in Article 57 of this Law.

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

3. 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 organisati

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 117. Salary and other benefits of members of the Board of Management, (general) director

1. The company has the right to pay the remuneration, salaries of the members of the Board of Management, (General) directors and other managerial officers according to the results and profits of the business.

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,

c. Sincere to the company's benefits, not using business opportunities, for personal purposes or for others, which can bring back benefits to the company, not

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 except

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.

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

7. When members of the Board of Management, the (general) director or other managers are discovered to violate the obligations of managers stipulated in Article 119 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.

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

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

1. Invitations or collecting opinion sheets of the members of Board of Management and other 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

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, requiring the violators to cease their activities and propose solutions.

Article 127. Dismissal of members of the Control Board

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

a. No longer have sufficient qualifications and meet the conditions as stipulated in Article 122 of this Law;

b. Do not exercise their rights and obligations for 6 consecutive months without approval from the Control Board except the case of ...

c. Have Letter of resignation and be approved by the Shareholders' Meeting.

d. Other cases as stipulated in the company's Charter.

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

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

Article 128. Submission of the annual statements and reports

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, if required, must be audited before submitting to the General Shareholders Meeting for approval.

3. Unless otherwise provided in the company's Charter, 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

CHAPTER V

PARTNERSHIP

Article 130. Partnerships

1. A partnership is an enterprise in which:

a. There are no less than two partners who are joint owners of the company, jointly conduct business under one common name (hereby so called general partners) ; besides general partners, there may also be limited partners;

b. General partners to a partnership shall be liable for all enterprise liabilities with his/her own entire property;

c. Limited partners shall bear debts of the partnership only to the extent of their capital contribution to the enterprise.

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

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

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

1. General partners and limited partners shall make capital contribution in full and on time as committed.

2. If a general partner does not contribute capital in full and in time as committed, which causes losses to the company, such and only such partner will be responsible for compensating losses to the company.

3. If a limited partner does not contribute capital in full and in time as committed, 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

dd. 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;

h. 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.

Article 132. Property of a partnership includes

1. Asset contributions by partners, which have been transferred to the company's ownership.

2. Assets generated by the company.

3. Assets generated from any business operations by partners using the company's name or from any business operations within the business of the company, which is implemented and on behalf of general partners.

4. Other assets as stipulated in laws.

Article 133. 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 134. Rights and obligations of general partners

1. General partners have rights to

a. Participate in meetings, discuss and vote to all issues in the company; each general partner has one vote 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 carry out 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

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

2. Convening may be by invitation, telephone, fax, telex or other electronic equipments. 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 clause 3 Article 135 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. Time and place of meetings;

d. Full name of the chairman and of participated partners;

dd. Opinions, discussion of participated partners;

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

g. Signatures of all participated partners.

Article 137. Business management of a partnership

1. All general partners shall have right to be legal representatives of the partnership; shall manage and conduct daily business activities of the company. Any restriction to general partners in conducting daily business activities of the company shall have effect to the third party if this party is informed.

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.

2. General partners can withdraw investment capital from the company if all other remaining general partners accept. Part

Article 140. Rights and obligations of limited partners

1. Limited partners shall have the rights to:

a. Participate in meetings, discuss and vote in the Members' Council on the 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.

d. Freely transfer their capital contribution to others;

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

e. Decide on their capital contribution by offering inheritance, giving-presenting, morgaging, taking as collateral and other activities as stipulated by laws and the company's charter; if an individual partner is dead or declared dead by the court, the heir or the replacing person of the deceased partner shall become the partner of the company.

g. 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;

h. Other rights as stipulated in this law and the company's charter.

2. Limited partners are obliged to:

a. Be responsible for all liabilities and other obligations of the company to the context of the committed capital contribution.

b. Cannot manage the company, conduct business activities on behalf of the company;

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.

CHAPTER VI

PRIVATE ENTERPRISE

Article 141. Private enterprises

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

2. Private enterprise is not allowed to issue securities.

3. Each individual shall only be entitled to establish one private enterprise

Article 142. The amount of investment capital of the proprietor

Chapter VII.

Group of Companies

Article 146. Group of Companies

1. Group of companies is a set of companies which have long-term relation in terms of economic benefits, technology, market and other business services.

2. Groups of companies include:

a. Parent company – subsidiary

b. Economic Conglomerate

c. Other forms.

Article 147. 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

6. In case when the business operations as stipulated in clause 3 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 148. Financial statement of the parent company and its subsidiary

1. By the end of the fiscal year, beside the report and materials stipulated in laws, a parent company shall make the following additional reports:

a. The consolidated financial report of the whole group of companies as

office of the parent company. Copies of all such reports, materials and information shall be available in all branches of the parent company in the territory of Vietnam.

7. 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

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 ceases to exist. 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 151. Separation of enterprises

1. Separation of a limited liability company or a shareholding company is the transfer of a portion of the assets of the existing company (hereinafter called the

Consolidations leading to new companies with market share of more than 50% in related market shall be prohibited, unless otherwise provided by laws on competition.

4. After the completion of business registration of the consolidating company, the consolidated companies cease to exist. 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 153. 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.

c. 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 such merged company(ies).

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.

4. To sign different types of contracts except contracts to dissolve enterprises
5. To mortgage, take as collateral, give-present or lease assets
6. To terminate the execution of in-effect contracts
7. To increase capital in other methods.

Article 160. Bankruptcy

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

CHAPTER IX STATE MANAGEMENT UPON

Article 162. State management responsibilities as to enterprises

1. The Government consolidates the state management of enterprises, appoints an agency responsible in front of the Government for coordinating other ministries and agencies in state management upon enterprises.

2. Ministries, state agencies at ministerial level, and governmental bodies responsible in front of the Government for their assigned duties which are to:

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.

Article 163. Organizational structure, power and responsibility of the Business Registrar

1. The Business Registrar has the following responsibilities and rights:

a. Settling business registration and granting the certificate of business registration in compliance with provisions stipulated by laws.

b. Setting up and managing the system of information on enterprises; providing information to state bodies, and interested organizations and individuals in conformity with regulations provided by laws.

c. Where it is necessary for the enforcement of this Law, asking enterprises for reports of their business situation; supervising and speeding up performance of reporting regime of enterprises.

d. Examining directly or requesting authorized state bodies to check on enterprises as to the content of the file for business registration.

dd. Settling breaches of provisions on business registration in compliance with regulations provided by laws; withdrawing of the certificate of business registration and asking enterprises whose certificate of business registration is withdrawn to

proceed procedures for dissolution in accordance with provisions stipulated in this Law.

e. Being responsible before laws for beaches on administration of business registration.

g. Conducting other rights and responsibilities in compliance with provisions stipulated by laws.

2. Organizational structure of the Business Registrar shall be decided by the Government.

Article 165. Measures in settlement of breaches

improve the effectiveness of the operations of the State owned enterprises shall be exercised as stipulated in laws.

3. The Government shall submit to the National Assembly the annual reports on the situation of State-owned-capital related business, situation of capital investment and State-owned assets security and development in enterprises.

Article 169. State owned enterprise establishment

State owned enterprises established after this Law comes into effect shall be registered, organized and managed in accordance with provisions of this Law and other related laws.

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

1. Limited liability companies, shareholding companies, private enterprises and partnerships which were 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 as LwS.3(-)-1(29si-3A)JTJst4.6(ce).4 T

Smaller-size business households shall register and operate under regulations set by the Government.

Article 171.

1. This Law shall be of full force and effect as of the 1 July,2006.

2. This Law shall replace the Enterprises Law no 13/1999/QH10 dated 12 June, 1999; Law on State owned Enterprises 2003, except otherwise stipulated in clause 2 Article 166 of this Law; other provisions on the organization and management and operation of the enterprise in the Law on Foreign Investment 1996 and the Law on the Amendment and Supplement of some provisions of the Law on Foreign Investment 2000.

Article 172. Enforcement guides

The Government shall make detailed stipulations and guidance to enforcement of Articles 7, 24, 36, 37, 61, 87, 149, 163, 165, 166, 168, 169, 170 of this Law and other necessary contents according to the need of state management upon enterprises./.