

Law No : 60/2005/QH11

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

ENTERPRISE LAW (2005)¹

Pursuant to the Constitution of the Socialist Republic of Vietnam in 1992 that was amended and supplemented by the Resolution No. 51/2001/QH10 dated 25 December 2001 of the National Assembly X, meeting session 10;

This Law governs enterprises.

CHAPTER I

GENERAL PROVISIONS

Article 1. Scope of application

This Law sets forth provisions on the establishment, organizational management and operation of limited liability company, share-holding company, partnership and sole proprietorship (hereinafter referred to enterprises) belonging to all economic components; sets forth provisions on corporate group.

Article 2. Subjects of application

1. Enterprises belong to all economic components.
2. Organizations and individuals are involved in the establishment, organizational management and operation of enterprises.

¹ This is non-official translation and is recommended to be used for reference purpose only. This non-official translation can be downloaded from www.sme.com.vn.

Article 3. Application of the Enterprise Law, international treaties and related Laws

1. Establishment, organizational management and operation of enterprises belonging to all economic components are governed by this law and other related laws.

2. In case where there are other laws governing establishment, organizational management and operation of enterprises because of their distinctive nature, those laws will prevail.

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

Article 4. Interpretation of terminology

For the purposes of this law, following terms will 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* means the consecutive implementation of one, several or all of stages of an investment process, from the production to the sale of products or provision of services on the market for profit purpose.

3. *Valid file* means a file that comprises of all documents as required in this Law, which is filled in entirely in pursuant to the laws.

4. *Capital contribution* means the transfer of assets into a company so as to become an owner of that company. Assets used for making capital contribution can be Vietnamese currency; freely convertible foreign currency; gold; value of land use rights; value of intellectual property rights, know-how, or other types of asset as specified in the company charter.

5. *Capital share* means the ratio of capital that is owned by a company member.

6. *Charter capital* means the amount of capital that is contributed or committed to contribute by all shareholders or members of a company respectively and is stated in the company charter.

7. *Legal capital* means the minimum amount of capital that is required by laws for an enterprise to be established.

8. *Voting capital* means the capital share of which owner will have the right to vote on matters subjected to decision by the Members' Council or the Shareholders' Meeting.

9. *Dividend* means the net profits in term of money or asset is paid to the owner of each share.

10. *Founding member* means organization or individual that makes capital contribution, approves and signs the original company charter.

11. *Shareholder* means organization or individual that owns no less than one share issued by the shareholding company. *Founding shareholder* means shareholder who approves and signs the original company charter.

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 company, members of the Board of Management, director or general director or other important managers as stipulated in the company charter.

14. *Authorized representative* means individual who is authorized in writing by the institutional members of the limited liability company or institutional shareholder of the shareholding company, to exercise rights and obligations in pursuant to this law.

15. A company is construed as holding company if it:

a) owns more than 50% of total charter capital or total number of ordinary shares issued by another company; or

b) is competent to appoint or dismiss directly or indirectly majority or all members of the Members' Council, director or general director of another company; or

c) Has right to amend or supplement the charter of another company.

16. *Reorganization of an enterprise* means division, separation, consolidation, merger, and conversion of an enterprise.

17. *Related person* means organization and individual who have direct or indirect relationship with an enterprise as follows:

a) Holding company, its managers and other persons who are competent to appoint managers of its subsidiary;

b) Subsidiary in relation to holding company;

c) Individual or group of individuals those are capable of dominating operations of an enterprise through management bodies in that enterprise;

d) Company managers;

e) Wife, husband, father, foster father, mother, foster mother, child, adopted child, or sibling of a manager or a member holding dominant capital share or shareholder holding a majority of shares.

f) Individual who is authorized representative of those specified in article 4(17)(a)-(e);

g) Enterprises that is controlled by persons specified in article 4(17)(a)-(h), hold shares to the level that they can control the decision-making process of the management bodies of the enterprise;

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

18. *State-owned capital* means the capital contributed from the state budget and other state resource and held by an authorized state agency or economic organization on behalf of the state;

State-owned share means share paid from the state budget or other state resource and held by an authorized agencies or economic organization on behalf of the state.

19. *Market price of the contributed capital or share* means the transactional price in the security market or price defined by an independent organization.

20. *Nationality of an enterprise* means the nationality of a country or region where such an enterprise is duly constituted.

21. *Resident address* means address of the head office of the organization, permanent address or office address or any other address of an individual that is registered with the enterprise as contacting address;

22. *State-owned enterprise* means an enterprise of which 50% of total capital owned by the state.

Article 5. State guaranty over enterprises and their owners

1. The State recognizes the long lasting existence and development of all types of enterprises as governed in this law; ensures equality of enterprises before laws 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 the enterprises and their owners.

3. The lawful property and invested capital of enterprises and their owners neither can be nationalized nor expropriated by administrative measures.

In cases where assets of enterprises are compulsorily purchased or requisitioned due to the reason of national defense, security or national interest, those enterprises will be paid or compensated in equivalent to the market price of that assets at the time of conducting such a compulsory purchase or requisition. Payment and compensation will be made in a manner of ensuring the enterprise interest and non-discrimination between types of enterprises.

Article 6. Political and social-political organizations in enterprises

1. Operation of the political and socio-political organizations in enterprises will be complying with the Constitution, laws and charters of those organizations.

2. Enterprises are obligated to respect and facilitate their employees to establish and participate in the organizations as stipulated in article 6(1) of this law.

Article 7. Business activities and conditions

1. Enterprises are entitled to conduct any business activity that is not prohibited by laws.

2. Enterprises are entitled to conduct business activities that are subjected to certain conditions as required by the investment law and other related laws only if all such conditions are meet by them.

Business conditions are requirements that enterprises must fulfill or satisfy in order to conduct a specific business activity and are manifested in forms of business

license, certificate of business conditions, professional certificate, certificate of insurance of professional liability, capital requirement or other forms.

3. Any business activities that may cause harmful impacts to national defense, security, social order and safety, historical traditions, culture, ethics, good morals and 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 annulling any business condition that is no longer necessary; to amend or recommend amending any business condition that is no longer inappropriate; to issue or recommend issuing 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;

5. Hire and use labors in accordance with the business requirement;

6. Apply, by its own initiative, modern scientific and technology in order to enhance business performance and competitiveness;

7. Decide on organizational structure and business affairs in an autonomous manner;

8. Possess, use and dispose assets of the enterprises;

9. Deny any request of supplying resources that are not lawfully stipulated by laws.

10. Complain and petition in pursuant to laws on complain and petition;

11. Engage in legal proceedings directly or via authorized person;

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 promptly in pursuant to laws on accounting.

3. Register tax code; pay tax and perform other financial obligations in pursuant to the laws;

4. Ensure lawful rights and interests of employees in pursuant to laws on labor; ensure that social insurance, health insurance and other insurance are given to employees in pursuant to laws on insurance.

5. Ensure and be liable to quality of goods and services in accordance with standard as registered or declared;

6. Fulfill statistical requirements in compliance with laws on statistics; submit periodically information in relation to enterprises and financial status of enterprises to the competent authority by using standardized forms; correct and adjust any submitted information that are found incorrect and insufficient afterward;

7. Abide by laws on national defense, security, public order and safety, protection of natural resources, environment, historical and cultural places, and famous landscapes;

8. Other obligations as stipulated by laws.

Article 10. Rights and Obligations of enterprises that produce or provide public goods or services.

1. Rights and obligations as stipulated in articles 8, 9 and other provisions of this law;

2. Is compensated in accordance with bidding price or entitled to collect service fees as stipulated by the competent state authority;

3. Is given adequate time for producing and providing goods and services

4. Produces and provides goods and services with adequate quality and quantity as committed in accordance with price set forth by state agencies.

5. Ensures equality of every customer;

6. Is 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 the Certificate of Business Registration is revoked.

3. Submit 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 complying with time limit and amount as committed; fix a higher value of contributed assets;

5. Defraud or conduct activities that violate or are prohibited by the law;

6. Conduct conditioned business activities without satisfying all conditions thereof.

7. Prevent owners, shareholders and members of enterprises from exercising their rights as stipulated in this law and company charter.

8. Other activities as prohibited by the 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 certifying 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-period will be that stipulated by laws.

CHAPTER II

ESTABLISHMENT AND BUSINESS REGISTRATION

Article 13. The right to establishment, capital contribution, share acquisition 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 as stipulated in article 13(2).

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 purpose of 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 capacity for civil acts or persons whose capacity for civil acts is restricted;

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 as stipulated in article 13(4).

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 purpose of 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 authorized 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 article 14(1) will be undertaken by the enterprises that are established afterward.

3. If the enterprises fail to be established, the signing persons as stipulated in article 24(1) 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 in this law and will be responsible for accuracy and truthfulness of information submitted.

2. The business registrar will review the submitted file and decide to issue the certificate of business registration within 10 working days from the date of receiving the file; a written notification is required to send to applicants if the certificate of business registration is refused to issue. The notification must state explicitly reasons of refusal or other requirements for amendment or supplement of the file if any.

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 as stipulated in 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 of the 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 of the 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 of the 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 with 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 by agencies where such members are constituted. Legalization must be done no earlier than three months from date of submitting the file.

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 of the shareholding company

1. Application form as standardized by the business registrar.

2. Draft of the company charter;

3. List of founding members, which is attached with 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.

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

File, procedure and conditions for registration of business-investment with respect 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. Head-office, telephone number, fax, email address (if any);

3. List of business activities;

4. Charter capital with respect to companies and invested capital with respect to sole proprietorship;

5. Capital share owned by every member with respect to limited liability company and partnership; number of shares owned by every founding shareholder, types and par value of shares, total number of each type of authorized share with respect to shareholding company;

6. Full name, signature, resident address, nationality, number of identification card, passports or other relevant personal certification of the owner with respect to sole proprietorship; of owner or his/her authorized representative with respect to sole member limited liability company; of members or their authorized representatives with respect to limited liability company with more than two member; of founding

shareholders or their authorized representatives with respect to shareholding company; of general partners with respect to partnership.

Article 22. Contents of the company charter

1. Company name, head-office, branches, representative offices (if any);
2. List of business activities;
3. Charter capital and method of raising or reducing the charter capital;
4. Full name, address, nationality of all general partners with respect to partnerships; name, address, nationality and other basic identification of members with respect to limited liability companies; name, address, nationality and other basic identification of the founding shareholders with respect to shareholding companies;
5. Capital share and value of contributed capital held by each member with respect to limited liability company and partnership; the number of shares held by the founding shareholders, types of authorized shares, par value of shares and the total number of each type of shares with respect to shareholding company;
6. Rights and obligations of members of the limited liability company and partnership; of shareholders of the shareholding company;
7. Structure of organizational management;
8. Legal representative of the limited liability company and shareholding company;
9. Formality for adoption of decisions of the company; principles applied to the settlement of internal disputes;
10. Ground and method for calculating salary, allowance and bonus of members of the Members' Council, director or general director with respect to limited liability company, of members of the board of management, director or general director and the board of supervision with respect to shareholding company.
10. Circumstances when a member or shareholder may request the company to buy back his/her contributed capital with respect to limited liability company or shares with respect to shareholding company respectively;
11. Principles for distribution of profit or settlement of losses;
12. Procedures for dissolution and liquidation of the company;

13. Procedure for amending and supplementing the company charter;

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

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

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

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

1. Full name, address, nationality, 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 share; 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

Enterprises will be granted the certificate of business registration if the following conditions are satisfied:

a) Registered business activities are not prohibited;

b) The enterprise is given a name in complying with articles 31, 32, 33 and 34 of this Law;

c) There is a head-office that complied with article 35 of this law;

d) Business registration file is valid as stipulated by the laws;

e) Business registration fee is fully paid as stipulated by the laws;

Business registration fee will be determined basing on number of registered business activities, and be specified in detailed by the Government.

Article 25. Contents of the certificate of business registration

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

2. Full name, resident address, nationality, number of identification card, passport or other relevant personal certification of the legal representative of the enterprise;

3. Name, resident address, nationality, number of identification card, passport or other relevant personal certification of individual members or founding shareholders; number of establishment or registration of institutional owner, members or founding shareholders with respect to limited liability and shareholding company; name, resident address, nationality, number of identification card, passport or other relevant personal certification of general partners with respect to partnership; name, resident address, nationality, number of identification card, passport or other personal certification of individual owner of limited liability company or proprietor.

4. Charter capital with respect to limited liability company and partnership; number of shares, value of paid shares and number of authorized shares with respect to shareholding company; registered capital with respect to sole proprietorship; legal capital with respect to enterprises that carry out business activities subject required legal as stipulated by laws;

5. Registered business activities;

Article 26. Changes in the business registration file

1. Enterprises must register changes related to enterprise name, head-office, branches and representative offices (if any), charter capital, number of authorized shares or invested capital, legal representative of the enterprise and other contents in the business registration file with the business registrar within 10 days from the date such changes happen.

2. If changes lead to changes in the contents of the certificate of business registration, enterprises will be re-issued the certificate of business registration.

3. If the certificate of business registration is lost, partially damaged, burned or destroyed, the certificate of business registration will be reissued with fees.

Article 27. Disclosure of contents of the business registration

1. Within 7 days from issuing date of the certificate of business registration or registration of changes in business registration file, the business registrar have to send duplicate of the certificate of business registration to the tax authority, statistical agency, state bodies at the same level, the district People's Committee and commune People's Committee where the enterprise head-office is located.

2. Any organization or individual will be entitled to request the Business Registrar to provide full contents or extraction of the business registration file, and duplicate of the certificate of business registration after paying fee in pursuant to the laws.

3. The Business Registrar is obliged to provide fully and promptly information in relation to the business registration requested organization and individual as stipulated in article 27(2).

Article 28. Announcement of the business registration

1. Within 30 days from the date of receiving the certificate of business registration, enterprises are required to publish in the website of the business registrar or in three consecutive issues of a newspaper or electronic newspaper the following information:

a) Name of the enterprise;

b) Head-office, branches and representative offices (if any);

c) Registered business activities;

d) Charter capital with respect to limited liability company and partnership; number of shares, value of paid shares and number of authorized shares with respect to shareholding company; registered capital with respect to sole proprietorship; legal capital with respect to enterprises that carry out business activities required legal capital as stipulated by the laws;

e) Full name, resident address, nationality, number of identification card, passport or other relevant personal certification, number of establishment or registration of owner, members or founding shareholders;

f) Full name, resident address, nationality, number of identification card, passport or other personal certification of the legal representative of the enterprise;

g) Location of business registration.

2. Any change in the business registration file is also required to publish by enterprises in complying with the time limit and method as stipulated in article 28(1).

Article 29. Convey of property

1. Members of limited liability company and partnership, and shareholders of shareholding company must transfer ownership of assets used to make capital contribution to the company in complying with provisions hereafter:

a) As for assets of which ownership is required to register or the land-use right, procedure for transferring ownership of such assets will be done at the state competent agency by the members or shareholders.

In this case, ownership transfer will be done without paying fee;

b) As for assets of which ownership is not required to register, ownership transfer will be verified by a written minute.

The minutes must explicitly and clearly state: name and head-office; full name, resident address, nationality, number of identification card, passport or other personal certification, number of establishment or registration of the capital contributors; types of asset, quantity of each type of asset, total value of assets and its ratio in the charter capital, date of conveying assets and signature of the capital contributor or his/her authorized representative and the legal representative of the enterprise.

c) Shares or contributed capital that are not paid in Vietnamese currency, freely convertible foreign currency and gold will be construed as fully paid when ownership of assets that used to make capital contribution is lawfully transferred to the company.

2. Proprietor is not obliged to transfer ownership of assets used in business operation.

Article 30. Valuation of assets used to make capital contribution

1. Assets that used to make capital contribution rather than Vietnamese currency, freely convertible foreign currency and gold must be valued by members, founding shareholders or independent specialized organization.

2. Valuation of assets used to make capital contribution for the purpose of setting up an enterprise must be agreed by all members or founding shareholders basing on principle of consensus. If such assets are given a higher value, members, founding shareholders 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.

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 displayed 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 entitled to decide on rejection or acceptance of a proposed name of the enterprise. Decision made by the business registrar will be construed as final decision.

Article 32. Prohibitions in choosing an enterprise name

1. Using a name that is identical or cause confusion with an existing enterprise name;

2. Using name of the state agencies, people's armed forces, political organizations, political-socio organizations, political-socio-professional organizations,

social organizations or social-professional organizations as to constitute fully or partially the enterprise name, otherwise agreed by such organizations.

3. Using words and symbols that violate historical and cultural traditions, good morals and customs of the nation;

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 distinct component of the enterprise name into a foreign language.

2. The enterprise name in a foreign language must be presented in a smaller-size font in comparison with that in Vietnamese when it is displayed at the head office, branches, representatives, transactional papers or publications of the enterprise.

3. Abbreviated name of the enterprise can be shortened from the name in either a foreign language or Vietnamese.

Article 34. Identical and confused enterprise name

1. Name of the enterprise is construed as identical to a name of an existing and registered enterprise if it is read and written in Vietnamese as the same as such a name.

2. Name of the enterprise is construed as to cause confusion with a name of an existing and registered enterprise if:

a) it is read, in Vietnamese, as the same as such a name;

b) it is differed, in Vietnamese, from such a name by a sign “&”;

c) its abbreviation is identical to the abbreviation of such a name;

d) it is, in foreign language, identical to such a name in foreign language;

e) its distinct component is differed from that of such a name by a prefixed or affixed number or Vietnamese alphabet, except that it is given to a subsidiary of the existing and registered enterprise.

e) its distinct component is differed from that of such a name by a prefixed word “new”;

g) its distinct component is differed from that of such a name by word “northern”, “southern”, “central”, “western”, “eastern” or other similar word, except that it is given to a subsidiary of the existing and registered enterprise.

Article 35. Head office of enterprises

1. The head office is contacting and transactional address of an enterprise; it must be a specific address in the territory of Vietnam and is demonstrated by home 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 within 15 days from the issuing date of the certificate of business registration.

Article 36. The enterprise seal

1. Enterprises are given a distinct seal. The enterprise must keep its seal at the 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 is responsible for the management of the seal usage in pursuant to the laws. Enterprises can have a duplicate of seal if they get an approval from the state 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 of the enterprises and is established to exercise all or certain functions of such enterprises, including acting as an authorized representative. Business activities of branches must be consistent with those of the enterprises.

3) Business place is an area where enterprises carry out their business activities. The business place is not necessarily within area of the head office.

4) Branches, representative offices and business places of the enterprises must exhibit name of the enterprises along with indication of respective branches, representative offices or business places.

5) Enterprises are entitled to open their branches and representative offices in Vietnam or foreign countries. An enterprise can open more than one representative office and/or branches in one administrative locality. Procedure and formality for opening branches and/or representative offices will be stipulated by the Government.

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 organization and/or individual; total number of members is of no more than fifty.

b) Members are responsible for debts and other liabilities of the enterprise within amount of capital that they committed to contribute to the enterprise;

c) Capital shares of the members can only be transferred in pursuant to articles 43, 44 and 45 of this Law;

2. Limited liability company will be given a legal status from the issuing date of the certificate of business registration.

3. Limited liability company is not entitled to issue shares.

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

1. Members are obliged to make capital contribution fully and promptly with the assets as committed. Any change in the type of assets that members committed to contribute must be approved by all other members and register in writing with the business registrar within 7 days from the date of approving such a change.

The legal representative of the enterprises is obligated to report in writing the progress of capital contribution to the business registrar within 15 days from the date of committing to make such a capital contribution, and is individually liable to any loss or damage caused to the enterprises themselves or third parties as a result of his/her delay in reporting or incomplete, inaccurate and dishonest report.

2. If a member fails to make capital contribution fully and promptly as committed, deficiency in the capital contribution will be considered as his/her debt 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, passport or other personal certification of the individual member; name, head office, nationality, number of establishment or registration of the institutional member;
- d) Capital share and value of contributed capital;
- e) Number and the issuing date of the certificate;
- f) Full name and signature of the legal representative of the company.

5. If the certificate of capital contribution is lost, burn, partially damaged or destroyed, it can be re-issued upon a request of the bearer.

Article 40. Book of member registration

1. The book of member registration must be made by the enterprises as soon as the certificate of business registration is granted. The book of member registration must contain following contents:

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 specified in the company charter, except those are stipulated in article 41(3), 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 specified in the company charter, group of all minor members will be eligible to the right as stipulated in the article 41(2).

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 capital share; not permitted to withdraw capital from the company in any form rather than those are 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 serving 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. A member is entitled to request the enterprise 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 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 article 43(1)((a)(b)&(c).

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 capital share buy-back 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 article 43(2), 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 one member 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 members 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 refuse to become the company member;

b) donees of that member as stipulated in article 45(5) are not approved to become the company members by the members' council;

c) member is an organization that is ceased 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.

6. In circumstance where members use their capital share to pay off debts, the person who receives the capital share as payment may:

a) become a member of the company; or

b) further transfer that capital share to another person.

Article 46. Structure of organizational management

A limited liability company with more than one member comprises of the members' council, chairman of the members' council and director or general director. Board of supervision is required to be established in a company with more than ten members. There may be a board of supervision in a company with less than ten members as decided by the company itself. Rights, obligations, conditions and working rules of the board of supervision, including its members and chairman will be stipulated by the company charter.

Either the chairman of the members' Council or director or general director will be legal representative of the company as specified in the company charter. The legal representative of the company must reside in Vietnam. If his/her absence in Vietnam is more than thirty days, he/she must authorize in writing another person to exercise rights and obligations.

Article 47. The Members' Council

1. All members will constitute the members' Council which is the highest decision-making organ. Institutional members are required to appoint their 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) Deciding on the development strategy and annual business plan of the company;

b) Deciding on the increase or reduction in the charter capital as well methods and moment for mobilizing capital.

c) Deciding on methods of market development and marketing, and technology transfer; approving contracts of borrowing, lending and selling assets amounted to 50% or more of total value of assets recorded in the latest financial report unless a smaller ratio is stipulated by the charter;

d) Electing, exempting or dismissing the Chairman of the Members' Council; appointing, exempting, dismissing, hiring or firing the director or general director, chief accountant and other managers as stipulated in the charter;

e) Deciding on salaries, bonuses and other benefits of the director or general director, chief accountant and other managers as stipulated in the charter;

f) Approving the annual financial reports and proposal for using or distributing profits as well as handling losses of the company.

g) Deciding on the structure of organizational management;

h) Deciding on establishment of branches and opening representative offices;

i) Amending or supplementing the charter;

k) Deciding on the company reorganization;

- l) Deciding on dissolution or bankruptcy of the company;
- m) Other rights and obligations as stipulated in this Law and the charter.

Article 48. Authorized representative

1. An authorization of representative must be in writing and notify both the company and business registrar within 7 days from the date of making such an authorization. The notification must contain following contents:

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

e) Full name, signature of the legal representative and the authorizing member and authorized representative;

Replacement of the authorized representative is required to notify both the company and business registrar within seven days from the date of making such an authorization and is deemed to be valid since the date on which the notification is received by the company.

2. The authorized representative is required to have qualifications as follows:

a) having full capability for civil act;

b) not prohibited from establishing and managing an enterprise;

c) having expertise and experience in business management or in relation to a major business activity of the company;

d) As for company in which the state-owned capital share accounts for more than 50% of the charter capital, wife, husband, father, foster father, mother, foster mother, child, adopted child, or sibling of the managers and persons who have right to appoint managers of that company are not entitled to be an authorized representative in its subsidiaries.

3. The authorized representative will act on behalf of the authorizing member in exercising all rights and obligations given to a member of the members' Council as stipulated in this law. Any restriction of the authorizing member on the authorized representative in relation to exercising rights and obligations given to the members' Council will not be valid towards third party.

4. The authorized representative is obligated to participate in all meetings of the Members' Council and exercise rights and obligations given to a member of the Members' Council in a fiduciary, diligent and best manner for the purpose of maximizing benefits of the authorizing member and the company.

5. Voting of the authorized representative is in proportion to the capital share the he or she is authorized to represent.

Article 49. Chairman of the Members' Council

1. The Members' Council will elect one of its members to be the Chairman. The Chairman may hold position of the director or general director simultaneously.

2. The Chairman will be given rights and obligations as follows:

a) Setting up working program and plan of the Members' Council;

b) Preparing the agenda, contents and materials for the meeting of the members' council or being in charge of consulting the members' opinion;

c) Convening and presiding meetings of the Members' Council;

d) Supervising the implementation of decisions made by the Members' Council;

e) Signing decisions made by the members' council;

f) Other rights and obligations as stipulated in this Law and the company charter.

3. Term of the chairman will not exceed three years. The chairman can be re-elected unlimitedly.

4. If the chairman is the legal representative of the company as stipulated in the company charter, such fact is required to state explicitly in transaction papers of the company.

5. The chairman can authorize a member of the members' council to exercise rights and obligations of the chairman during his/her absence in accordance with

principles as stipulated in the company charter. If no member is authorized or the chairman is incapable of working, remaining members will elect one of them to exercise temporarily rights and obligations of the chairman by principle of majority.

Article 50. Convocation of the meeting of the members' Council

1. A meeting of the Members' Council can be called out at request of the chairman or one or group of the company members as stipulated in article 41(2)&(3) of this Law. Meeting of the members' Council is required to be held at the head office of the company.

The Chairman is responsible to prepare agenda, contents, and 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 opening date of the meeting of the members' council; The recommendation that is submitted shortly before opening of the meeting is accepted only if a majority of participating members approves.

2. The meeting invitation can be in form of sending notification, telephone, fax or email as stipulated in 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 date 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 date 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 article 50(4), that fact is required to notify requesting member or group of members by the chairman within seven days from the date of receiving such a request.

The chairman is required to convene a meeting of the members' council with fifteen days from the date of receiving the request. If the chairman does not convene the meeting he or she will be individually liable to any damage causing to the company and other members and the requesting member or group of members is entitled to convene the meeting and costs thereof will be reimbursed by the company.

Article 51. Conditions and formalities of the meeting of the Members' Council

1. A meeting of the members' council is entitled to open if all participating members own at least 75% of the charter capital; a specific percentage will be stipulated by the company charter.

2. If the first meeting fails to open due to not satisfying conditions as stipulated in article 51(1), the second meeting will be convened within 15 days from the proposed opening date of the first meeting. The second meeting is entitled to open if all participating members own at least 50% of the charter capital; a specific percentage will be stipulated by the company charter.

3. If the second meeting fails to open due to not satisfying conditions as stipulated in article 51(2), the third meeting will be convened within 10 days from the proposed opening date of the second meeting. The third meeting is always entitled to open regardless of the number of participating members.

4. Members and their authorized representatives are required to participate in and vote at the meeting of the members' council. Voting formality at the meeting will be stipulated by the company charter.

Article 52. Decisions of the members' Council

1. Decisions of the members' council are approved by voting at a meeting, consulting opinions in writing or other method as stipulated by the company charter.

Decisions on following matters are required to be approved by voting at a meeting otherwise stipulated by the company charter.

- a) Amendment and supplement of the company charter;
- b) Development strategy of the company;
- c) Election, exemption or dismissal of the chairman of the members' council; appointment, dismissal or firing of director or general director;
- d) Approval of annual financial reports;
- e) Re-organization or liquidation of the company.

2. Decisions of the Members' Council will be approved by:

a) a number of participating members owning 65% of the charter capital; a specific percentage will be stipulated by the company charter;

b) a number of participating members owning 75% of the charter capital if such decisions related to the sales of 50% or more of the total value of assets recorded in the latest financial reports of the company or a smaller percentage as stipulated in the company charter, amendment or supplementation of the company charter, reorganization or dissolution of the company; a specific percentage will be stipulated by the company charter.

3. Decisions of the Members' Council will be approved in form of consulting opinions in writing by a number of members owning 75% or more of the charter capital. A specific percentage will be stipulated by the company charter.

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

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

2. The meeting minute is required to be completed and passed prior closing time. Minute must contain following contents:

a) Purpose, agenda, time and venue of the meeting;

b) Name, capital share, number and issuing date of the certificate of capital share of participating members or their authorized representatives; name, capital share, number and issuing date of the certificate of capital share of absent members or their authorized representatives;

c) Matters discussed and voted; summary of speeches or opinions of members in relation to every matter;

d) Total number of votes "for", "against" and "blank" in relation to each voting matter;

e) Decisions approved;

g) Name and signatures of participating members or their authorized representatives.

Article 54. Approval of decisions of the Members' Council in the form of consulting opinion in writing.

Unless otherwise stipulated by the company charter, formality for approving decisions of the members' council in form of consulting opinion in writing will be complying with provisions as follows.

1. The Chairman of the Members' Council is entitled to choose form of consulting opinion in writing when approving matters decided by the members' council.

2. The Chairman will be in charge of preparing and sending reports, explanations, draft of proposed decisions and voting inquiry to all members of the company. The voting form must contain following contents:

a) Name, head office, number and issuing date of the certificate of business registration and place of business registration;

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 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.

Article 55. The director or general director

1. The director or general director of the company is obligated to run day-to-day business operations of the company and be responsible to the Members' Council in performing his/her rights and duties.

2. The director or general director will have following rights and obligations:

a) Implementing decisions of the Members' Council;

- b) Deciding on matters in relation to day-to-day business operations of the company;
- c) Implementing business plan and investment strategy of the company;
- d) Stipulating the management rules of the company;
- e) Appointing, dismissing and firing managers except those are appointed, dismissed or fired by the Members' Council;
- g) Concluding contracts on behalf of the company except those are concluded by the Chairman of the members' council;
- h) Suggesting structure of organizational management of the company;
- i) Submitting the annual financial report to the Members' Council;
- k) Suggesting method of distributing profits or handling losses of the company.
- 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. As for company in which the state owned capital share accounts for more than 50% of the charter capital, wife, husband, father, foster father, mother, foster mother, child, adopted child, or sibling of the managers or person who has power to appoint managers 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. 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 holding company; or

d) Related persons of people as stipulated in article 59(1)(c).

The legal representative of the company is required to send draft contracts or summary of major contents of draft contracts to all members of the Members' Council together with disclosing them at the head office and branches of the company. The Members' Council is required to approve the draft contracts within 15 days from the date of disclosing contracts otherwise stipulated in the company charter. Draft contracts will be approved by a number of members owning 75% or more of the total voting capital. Related members are not entitled to vote for the contracts.

2. Contracts that are concluded in violating article 59(1) will be void and treated in pursuant to the laws. In this circumstance, the legal representative, related members and related persons of the members are required to indemnify or give the company back any benefit gained from implementation of such contracts.

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 company;

c) adding new members.

2. If the capital is raised in form of further contribution by the members, the increase in the capital will be paid up in proportion to their capital share. Member who votes against the decision on capital raising may not make further capital contribution which, then, will be paid up by other members in proportion to their capital share, unless otherwise agreed by members.

The capital can be raised in form of adding new members only if all members agree to do so, unless otherwise stipulated in the company charter.

3. The company can reduce its charter capital, in complying with decision of the members' council, in form of :

a) Returning the members back a part of their contributed capital in proportion to their capital share if the company has been doing business for more than consecutive two years since the date of business registration and is capable of paying off due debts and other financial obligations afterward;

b) Reducing the charter capital so as to fit the decreased value of assets of the company;

4. The company is required to inform the business registrar its decision on capital raising or reduction within seven days from the date of making such a decision. The notification must be in writing and contain following contents:

a) Name, head office, number and issuing date of the certificate of business registration, place of business registration;

b) Name, resident address, nationality, number of identification card, passport or other personal certification of the individual members; number of establishment or registration of the institutional members; capital share of each member;

c) The charter capital; amount of capital proposed to raise or reduce;

d) Time and method of capital raising or reducing;

e) Name and signature of the chairman of the Members' Council and legal representative of the company.

The notification must be attached by a decision on capital raising of the Members' Council or a decision on capital reduction of the members' council together with the latest financial report, which is audited in respect to enterprises with more than 50% of foreign capital share.

The business registrar is required to register change in the charter capital as notified within ten days from the date of receiving a notification.

Article 61. Conditions for profit distribution

A company is entitled to distribute profits to its members only if it makes profits after fulfilling taxes and other financial obligations in complying with the laws and is remained capable of paying due debts and other obligations afterward.

Article 62. Regaining capital returned or profit distributed

If the reduction in the company capital is done contrary to article 60(3)&(4) and profit distribution is made inconsistent with article 61 of this law, the company is required to regain returned capital or distributed profits from all members who will be jointly liable to all debts and other obligations of the company until recovery of all returned capital or distributed profits is fully made.

PART II

SOLE MEMBER LIMITED LIABILITY COMPANY

Article 63. Sole member limited liability company

1. A sole member limited liability company is an enterprise which is owned by one organisation or individual (hereinafter referred to as the company owner); the company owner is liable for debts and other obligations of the company within the charter capital.

2. A sole member limited liability company will be conferred legal status from issuing date of the certificate of business registration.

3. A sole member limited liability company is prohibited from offering shares.

Article 64. Rights of the company owner

1. The company owner that is an organization will have following rights:

a) Deciding on contents of the company charter and its amendment or supplement;

b) Deciding on development strategy and annual business plan of the company;

c) Deciding on structure of organizational management; appointing, exempting and dismissing managers of the company;

d) Approving investment projects in equivalent to 50% or more of total value of assets of the company as recorded in the latest financial report; a smaller percentage will be stipulated in the company charter;

e) Deciding on development of market, marketing and technology;

f) Approving lending, borrowing contracts and others in equivalent to 50% or more of total value of assets of the company as recorded in the latest financial report; a smaller percentage will be stipulated in the company charter;

g) Deciding on sale of assets in equivalent to 50% or more of total value of assets of the company as recorded in the latest financial report; a smaller percentage will be stipulated in the company charter;

h) Deciding on raising of capital; transfer of a part or whole of the charter capital to another person;

i) Deciding on setting up subsidiaries and making capital contribution to other companies;

k) Undertaking supervision on business performance of the company;

l) Deciding on usage of profits after paying taxes and other financial obligations;

m) Deciding on re-organization, liquidation and request for bankruptcy of the company;

n) Collecting all pecuniary assets of the company after finishing liquidation or bankruptcy process.

o) Other rights as stipulated in this Law and the company charter.

2. The company owner that is an individual will have following rights:

a) Deciding on contents of the company charter and its amendment or supplement;

b) Deciding on investment and business projects and organizational management of the company otherwise stipulated in the company charter;

c) Transfer of a part or whole of the charter capital to another person;

d) Deciding on usage of profits after paying taxes and other financial obligations;

e) Deciding on re-organization, liquidation and request for bankruptcy of the company;

f) Collecting all pecuniary assets of the company after finishing liquidation or bankruptcy process.

g) Other rights as stipulated in this Law and the company charter.

Article 65: Obligations of the company owner

1. Making capital contribution fully and promptly as committed; if not, the company owner will be liable to all debts and other financial obligations of the company;

2. Complying with the company charter;

3. Keeping assets of the company and company owner separated;

The company owner who is an individual is required to separate between expenditure of himself or herself and that of the company owner or director or general director

4. Complying with laws governing contracts on sale, borrowing, lending, leasing, renting or other transactions between company and the company owner.

Article 66. Restrictions on the rights of the company owner

1. The company owner is entitled to withdraw the capital only by the way of transferring a part or whole of the capital to another person; if the capital is withdrawn 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 rights and obligations as stipulated in this law and other related laws; the authorized representatives are required to meet qualifications as stipulated in article 48(2) of this law.

2. The company owner is entitled to change authorized representatives at any time.

3. If there are more than one authorized representatives, the company will comprise of Members' Council, director or general director and supervisor. All authorized representatives constitute the Members' Council of the company.

4. If there is only one authorized representative, the company will comprise of the company chairman, director or general director and supervisor. The authorized representative will be the company chairman.

5. The company charter is required to specify either chairman of the members' council, company chairman, director or general director to be legal representative of the company. The legal representative is required to reside in Vietnam and must authorize another individual to act as legal representative of the company in complying with principles as stipulated in the company charter if his/her absence in Vietnam is more than thirty days.

Article 68. The members' council

1. The members' council will act on behalf the company owner in exercising his/her rights and obligations; act on behalf of the company in exercising its rights and obligations; be responsible to the company owner in exercising assigned rights and obligations in accordance with this law and related regulations.

2. Rights, duties, obligations and working rule of the members' council will be complying with the company charter and related laws.

3. Chairman of the members' council will be appointed by the company owner. Term, rights and obligations of the chairman will be that stipulated in article 49 and other provisions of this law.

4. Power and procedure for convening a meeting of the members' council will be complying with article 50 of this law.

5. A meeting of the members' council is entitled to open if there is a presence of two third of all members. Each member will have one vote otherwise stipulated in the company charter. Decisions of the members' council may be adopted in form of consulting opinion in writing.

6. Decisions of the members' council will be approved by a majority of participating members or $\frac{3}{4}$ of participating members in relation to amendment or

supplement of the company charter, re-organization of the company and transfer of a part or whole of the company capital.

Decisions of the members' council will be effective from the date of approval otherwise stipulated by the company charter that it must be ratified by the company owner before being effective.

7. Minute is required to be made for each meeting of the members' council. The meeting minute must contain contents as stipulated in article 53 of this law.

Article 69. Chairman of the company

1. Chairman of the company will act on behalf of the company owner in exercising his/her rights and obligations; act on behalf of the company in exercising its rights and obligations; be responsible to the company owner in exercising assigned rights and obligations in accordance with this law and related regulations.

2. Rights, duties, obligations and working rule of the chairman of the company will be complying with the company charter and related laws.

3. Decisions of the chairman of the company will be effective from the date of being ratified by the company owner otherwise stipulated in the company charter.

Article 70. Director or general director

1. Director or general director will be appointed or hired by the members' council or chairman of the company with term of a three year 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) Suggesting organizational management of the company;

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

i) Suggesting method of distributing profits or handling losses;

k) Hiring employees;

l) Other rights as stipulated in the company charter and contract signed with the chairman of the members' council or chairman of the company.

3. Director or general director is required to meet following qualifications:

a) Having capacity for civil act; not prohibited from managing an enterprise in pursuant to this law;

b) Not being related person of the members of the members' council or chairman of the company and any person who has power to appoint authorized representative or chairman of the company;

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 term of a three year or less. Supervisors are responsible to the company owner in exercising assigned 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 meet following qualifications:

a) Having capability for civil act and not prohibited from managing an enterprise in pursuan to this law;

b) Not being related person of the members of the members' council or chairman of the company, director or general director and any person who has power to appoint supervisors;

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 optimal manner in order to maximize benefits of the company and company owner;

c) Pledging loyalty toward interests of the company and company owner. Not permitted to make use of information, know-how and business opportunity of the

company or to abuse positions, powers and assets of the company for the benefit of themselves and other person.

d) Notifying promptly, fully and accurately the company enterprises in which they or their related persons are sole owner or major shareholders. Notification is required to display at the head-office and branches of the company.

e) Other duties as stipulated in this law and company charter.

2. Director or general director is not entitled to raise salary or pay bonus if the company is incapable of paying off due debts.

Article 73. Remuneration, salary and other benefits of the company's managers and supervisors

1. Remuneration, salaries and other benefits of the company managers and supervisors will be paid in accordance with business performance of the company.

2. The company owner will decide on the remuneration, salary and other benefits of the members of the Members' Council, the company chairman and supervisors. That remuneration, salaries and other benefits of the company's managers and supervisors will be deducted from business expenses of the company in complying with the laws on income tax and must be separated in a section of the annual financial report.

Article 74. Structure of organizational management of the sole member limited liability company whose owner is an individual

1. The sole member limited liability company will comprise of chairman, director or general director. The company owner will be the company chairman. Either the company chairman or director or general director will be the legal representative as specified in the company charter.

2. The company chairman can either hold the position of or hire a director or general director.

3. Rights, obligations and duties of the director or general director will be stipulated in the company charter and the labour contract signed between him and company chairman.

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

1. Contracts or transactions is required to approve by the Members' Council, chairman, director or general director and supervisors on the principle of majority and one vote per person if they are concluded between the company and:

- a) Company owner and related persons of the owner;
- b) Authorized representative, director or general director and supervisor;
- c) Related persons of the people as specified in article 75(1)(b);
- d) Managers and person who is competent to appoint those managers;
- e) Related persons of the people as specified in article 75(1)(d).

The legal representative of the company has to send draft contracts or summarized contents of contracts to the company chairman, members' council, director or general director and supervisors together with disclosing them at the head office and branches of the company.

2. Contracts or transactions as stipulated in article 75(1) will be approved if:

- a) Contracting parties are independent legal entities, having distinguished rights, obligations and assets.
- b) The price of the contracts or the transactions is the market price at the time of concluding contracts or performing transactions.
- c) The company owner complies with duties as stipulated in article 65(4) of this Law.

3. Contracts or transactions that are concluded in violating article 75(1) will be void and treated in pursuant to the laws. If so, the legal representative of the company and contracting parties are required to indemnify or give the company back any benefit gained from implementation of such those contracts or transactions.

4. Contracts or transactions that are concluded between the company and the company owner or his related persons must be recorded and retained as the company's documents.

Article 76. Raise and reduction of the charter capital

1. The sole member limited liability company is not allowed to reduce the charter capital.

2. The sole member limited liability company can raise the charter capital by further contribution of the owner or attracting capital contribution from others.

The owner will decide method and amount of raising the charter capital. If the charter capital is raised by attracting capital contributions from others, the company will be transformed into the limited liability company with more than one member and is required to register such a change within 15 days from the date on which capital contribution is committed to make.

CHAPTER IV SHAREHOLDING COMPANY

Article 77. Shareholding company

1. Shareholding company is an enterprise of which:

a) Charter capital is divided into equal portions known as shares.

b) Shareholder can be organisation or individual; the minimum number of shareholders will be three and there is no restriction on the maximum number of shareholders.

c) Shareholders are liable for debts and other liabilities of the company within amount of capital that they contributed.

d) Shareholders are free to transfer their shares, unless otherwise stipulated in article 81(3) and 84(5) of this Law;

2. A shareholding company will be given a legal status from the issuing date of the certificate of business registration.

3. A shareholding company is entitled to issue securities for the purpose of capital mobilization.

Article 78. Types of share

1. The shareholding company must issue ordinary shares. Owners of such shares are referred to as ordinary shareholders.

2. A share-holding company can issue preference shares. Owners of preference shares are referred to as preference shareholders.

Preference shares include:

- a) Voting preference share;
- b) Dividend preference share;
- c) Redeemable preference share;
- d) Other types of preference share as stipulated in the company charter.

3. Voting preference shares can be owned only by government-authorised organisations and founding shareholders. Preference of voting will be effective for three years from the issuing date of the certificate of business registration. After that, voting preference shares of founding shareholders will be converted into ordinary shares.

4. Persons who are entitled to buy dividend preference shares, redeemable preference shares or other types of preference shares will be stipulated in the company charter or decided by the Shareholders' Meeting.

5. Shareholder of the same type will be given the same rights, interests and obligations.

6. Ordinary shares are not entitled to convert into preference shares. Preference shares may be converted into ordinary shares in pursuant to decisions of the Shareholders' Meeting.

Article 79. Rights of ordinary shareholder

1. An ordinary shareholder is entitled to:

- a) Participate and discuss in all Shareholders' Meetings and vote directly or via proxy; an ordinary share will be conferred one vote;
- b) Receive dividend in pursuant to decision of the Shareholders' Meeting;
- c) Take preemption in buying newly issued shares in proportion to his ordinary shares;
- d) Freely transfer his shares to others unless otherwise stipulated in article 84(5) of this law.

e) Check, review and extract information from the list of shareholders with voting rights and ask for correction of inaccurate information.

f) Check, review, extract or copy the company charter, the book of meeting minutes as well as decisions of the Shareholders' Meeting.

g) Receive part of the property in proportion to his shares when the company is dissolved.

h) Other rights stipulated by this Law or by the company's Charter.

2. Shareholder or group shareholders holding more than ten percent of total ordinary shares for least six consecutive months or a smaller ratio as specified in the company charter is entitled to:

a) Nominate members of the Board of management and Board of supervision (if any);

b) Review and extract the book meeting minutes, decisions of the Board of management, periodical and annual financial report in the standard form and reports of the Board of supervision.

c) Request convocation of meeting of shareholders in pursuant to article 79(3).

d) Request the Board of supervision to examine specific problem in relation to the management and operation of the company if necessary. The request must be in writing and contain name, resident address, nationality or number of the identification card, passport or other relevant personal certification of individual shareholders; name, resident address, nationality of institutional shareholders; total number and purchasing date of shares held by each shareholder; total number of shares held by group of shareholders and its ratio in the share capital of the company; issues requested to examine and purposes of the examination.

e) Other rights as stipulated in this Law or the company charter.

3. Shareholder or group of shareholders as stipulated in article 79(2) is entitled to request convocation of meeting of shareholders if:

a) The Board of Management seriously violates the rights of shareholders, duties of managers or makes decisions beyond its power.

b) The term of the Board of Management is expired more than 6 months and there is no election of the replacement board of management.

c) Other cases as stipulated in the company charter.

The request must be in writing and consist of full name, resident address, number of identification card, passport, or other relevant personal certification of individual shareholders; name, resident address, nationality of institutional shareholders; total number and purchasing date of shares held by each shareholder; total number of shares held by group of shareholders and its ratio in the share capital of the company, reasons to request convocation of meeting of shareholders. The request must be attached with evidences proving violations of the Board of Management, including defective decisions if any.

4. Unless otherwise stipulated in the company charter, nomination of members of the Board of Management and Board of supervision as stipulated article 79(2)(a) will be complying with provisions as follows:

a) Shareholder or group of shareholders as stipulated in article 79(2) is required to report meeting of the group to all participating shareholders prior to opening time of the meeting of shareholders.

b) Depending on the total number of members of the Board of Management and the Board of supervision, shareholder or group of shareholders as stipulated in article 79(2) is entitled to nominate one or more candidates to be members of the board of management and board of supervision in pursuant to decision of the shareholders' meeting. If the number of candidates nominated by shareholder or group of shareholders is smaller than that are entitled to nominate in pursuant to decision of the shareholders' meeting, the remaining candidates can be nominated by the Board of Management, the Board of supervision or other shareholders.

Article 80. Obligations of ordinary shareholder

1. To make a full payment of his subscribed shares within 90 days from the issuing date of certificate of business registration and be liable for debts and other liabilities of the company to the extent of the paid-up shares;

Not be entitled to withdraw the paid-up capital in form of ordinary shares unless those shares are bought back by the company or transferred to another person. If the paid-up capital in form of ordinary shares is withdrawn partially or wholly by a shareholder in contrary to this article, members of the Board of Management and the legal representative of the company will be jointly liable to debts and other obligations of the company to the extent of withdrew capital.

2. Comply with the company charter and other internal rules;

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

4. Undertake other obligations as stipulated in this law and the company charter.

5. Ordinary shareholders will be individually liable if he act on behalf of the company in:

a) Violating the laws;

b) Conducting business for the purpose of making benefit for himself or any one else;

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

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

1. Voting preference share is a share that is given more votes than an ordinary share. The number of votes are given to such a share will be specified in the company charter.

2. Voting preference shareholder is entitled to:

a) Vote for all issues subjected to decision of the Shareholders' Meeting with the number of votes as provided in article 81(1).

b) Have other rights as of ordinary shareholder unless otherwise stipulated in article 81(3).

3. Voting preference shares are not permitted to transfer to other persons.

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

1. Dividend preference share is a share that entitles its holder to receive a higher dividend than that of ordinary shares or an annual fixed dividend. The annual dividend of such a share comprises of fixed and bonus dividend. Fixed dividend will be paid regardless of the profits made by the company. The specific amount of fixed dividend and the method for calculating bonus dividend will be explicitly specified in the certificate of dividend preference share.

2. Dividend preference shareholder is entitled to:

a) Receive dividend as specified in article 82(1);

b) Receive, in proportion to his shares, a part of remaining assets after the company pay off all debts and redeemable preference shares when the company is dissolved;

c) Have the same rights as of an ordinary shareholder unless otherwise stipulated in article 82(3).

3. No dividend preference shareholder will be entitled to vote, attend the meeting of shareholders and nominate candidates to be members of the board of management and the board of supervision.

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

1. Redeemable preference share is a share that will be bought back by the company upon a request made by its owner or if conditions as specified in the certificate of such a share are met.

2. Redeemable preference shareholder has the same rights as of an ordinary shareholder, unless otherwise stipulated in article 83(3).

3. No redeemable preference shareholder is entitled to vote, attend the meeting of shareholders and nominate candidates to be members of the board of management and the board of supervision.

Article 84. Ordinary shares of founding shareholders

1. Founding shareholders are required to subscribe at least 20% of the total number of authorized ordinary shares and to make full payment of subscribed shares within 90 days from the issuing date of the certificate of business registration.

2. Within 90 days from the issuing date of the certificate of business registration, the company must inform the Business Registrar about progress of share payment. The notification must contain the following contents:

a) Name, head office, number and issuing date of the certificate of business registration and place of business registration.

b) Total number of authorized ordinary shares and number of subscribed shares of the founding shareholders.

c) Name, resident address, nationality, number of identification card, passport or other relevant personal certification of the individual founding shareholders; number of establishment or registration of the institutional founding shareholders; number of subscribed shares, numbers and value of paid-up shares, types of assets used to make share payment of every founding shareholder.

d) Number and value of paid-up shares of founding shareholders.

e) Full name and signature of the legal representative of the company

The legal representative of the company will be individually liable to losses causing to the company and others due to his delay in making notification or inaccurate and dishonest notification.

3. If a founding shareholder fails to make full payment of subscribed shares, remaining subscribed shares can be:

a) Paid up by remaining founding shareholders in proportion to their capital shares.

b) Paid up by one or some founding shareholders.

c) Paid up by other persons who are not founding shareholders; those persons then become founding shareholders of the company. In this circumstance, founding shareholders who have not yet made payment of subscribed shares are no longer founding shareholders.

If subscribed shares of the founding shareholders have not yet been fully paid up, all founding shareholders will be jointly liable to the debts and other liabilities of the company to the amount of unpaid-up subscribed shares.

4. If authorized shares are partially subscribed by the founding shareholders, unsubscribed authorized shares must be offered and sold out within 3 years from the issuing date of the certificate of business registration.

5. Within 3 years from the issuing date of the certificate of business registration, founding shareholders are free to transfer their ordinary shares to other founding shareholders. Founding shareholders can transfer their ordinary shares to another person who is not founding shareholders if so approved by the shareholders' meeting. In this circumstance, the transferors are not entitled to vote and transferee will be founding shareholders.

All restrictions imposed on ordinary shares of the founding shareholders will be void after 3 years from the issuing date of the certificate of business registration.

Article 85. Share certificate

1. Certificates issued by a shareholding company or data recorded in a book that certifies the ownership of one or more shares of the company are referred to as share certificates. A share certificate can be issued in form of either bearer share certificate or non-bearer share certificate. A share certificate must contain following contents:

- a) Name and head office of the company;
- b) Number and issuing date of the certificate of business registration;
- c) Number and types of shares;
- d) Par value of each share and total par value of shares printed in the share certificate;
- e) Name, resident address, nationality, number of identification, passport or other relevant personal certifications of the individual shareholders; name, head office, nationality, number of establishment or registration of the institutional shareholders with respect to non-bearer share certificates;
- f) Brief procedures for transferring shares;
- g) Signature of the legal representative and seal of the company;
- h) Registration number in the book of shareholders registration and issuing date of share certificates;
- i) Other contents as stipulated in articles 55, 56 and 57 of this Law in relation to certificate of preference shares.

2. Any mistake in the contents and format of share certificate does not affect the rights and benefits of its owner. The chairman of the Board of Management and director or general director will be jointly liable to losses caused by such a mistake.

3. Where a share certificate is lost, burned, partially damaged or otherwise destroyed, the share certificate will be re-issued upon a request made by its owner. The request must contain following commitments:

a) The share certificate is actually lost, burned or otherwise destroyed; if it is lost, a commitment that the greatest effort has been made in searching that share certificate and it will be returned to the company if found is required.

b) Being responsible for disputes that may incurred as result of the issuance of replacement share certificate.

For shares with the par value of more than 10 million VND, prior to the acceptance of the request for issuance of new share certificate, the company's legal representative may ask the shareholders to make an announcement of the lost or destroy of the share certificate and ask the company to issue new share certificate fifteen days afterward.

Article 86. Book of shareholder registration

1. A shareholding company is required to make and retain a book of shareholder registration from the issuing date of the certificate of business registration. Such a book may be in form of either writing or electronic file or both.

2. The book of shareholder registration must contain following contents:

a) Name and head office of the company.

b) Total number and types of authorized shares and total number of authorized shares of each type.

c) Total number and value of paid-up shares of each type.

d) Names, resident address, nationality, number of identification card, passport or other relevant personal certification if the individual shareholders; name, head office, nationality and number of establishment or registration of the institutional shareholders;

e) Number of shares of each type of each shareholder and the date of subscribing shares.

3. Book of shareholder registration is required to keep in the head office of the company or a securities registration, custody, payment and clearing center. Shareholders are entitled to check, review, extract and copy contents of the book during the opening hours.

4. Shareholders owning 5% or more of the total number of shares must be registered with the business registrar within 7 days from the date of acquiring that amount of shares.

Article 87. Issuance and transfer of shares

1. The Board of Management has the right to decide on time, method and price of offering shares each time. The offering price will not be lower than the market price at the time of offer or the latest par value of the shares, except:

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

b) Where shares are offered to all shareholders in proportion to their share capital.

c) Where shares are offered to brokers and guarantors. In this circumstance, discount rate must be approved by at least 75% of total number of shareholders with voting right.

d) Other cases and discount rate thereof as stipulated in the company charter.

2. If the company issue additional ordinary shares and offer them to all ordinary shareholders in proportion to their share capital, following provisions are require to comply:

a) The company must notify all shareholders about the additional issuance of shares by sending a secured mail. In the meanwhile, the notification must be published in three consecutive issues of newspapers within 10 days from the date of making notification.

b) The notification must contain name, resident address, nationality, number of identification card, passport or other relevant personal certification of the individual shareholders; name, head office, nationality and numbers establishment or registration of the institutional shareholders; number of shares and capital share of shareholders; total number of shares proposed to issue and number of shares that the shareholders are entitled to purchase; time limit for share subscription; full name and signature of the company's legal representative. Time limit for share subscription must be reasonable for shareholders to subscribe. Share subscription form must be attached to the notification.

c) Preemption of share purchase can be transferred to others.

d) If the share subscription form is not sent to the company within the time limit as stipulated in the notification, the related shareholder is considered as refusing preemption of share purchase. If the shares that proposed to issue are not entirely subscribed by shareholders and their transferees, the remaining shares will be managed by the Board of Management. The Board of Management can offer those shares to other shareholders of the company or other persons provided that the offering conditions of such remaining shares are not better than that of shares offered to shareholders, unless otherwise agreed by the Shareholders' Meeting or shares are offered through the stock exchange.

3. Shares will be deemed to be sold when they are fully paid and information of the buyer as stipulated in article 86(2) of this Law are adequately and truthfully recorded in the book of shareholder registration; then the buyer of such shares becomes a shareholder of the company.

4. The company will issue and grant the share certificates to the buyers after a full payment of shares is made. The company may opt to sell shares without issuing share certificates. In this circumstance, insertion of information of the buyers as stipulated in article 86(2) of this in the book of shareholder registration will be sufficient to certify the ownership of such buyers as shareholders of the company.

5. All share certificates will be freely transferable unless otherwise stipulated in article 81(3) and article 84(5) of this Law. Transfer of share can be made in writing as usual or by mere delivery. The transferring document will be signed by transferor and transferee or by their authorized representatives. The transferor still the owner of shares until the name of the transferee is printed in the book of shareholder registration.

If only some shares in form of bearer share certificate are transferred, a new share certificate will be issued in replacing the old one, in which number of transferred shares and remaining shares will be clearly printed.

6. Conditions, method and procedure for public offering of share will be done in complying with the regulations on securities.

The Government will stipulate in detail the private placement.

Article 88. Issuance of bonds

1. A shareholding company will be entitled to issue bonds, convertible bonds, and other types of bonds in conformity with provisions of laws and the company charter.

2. Unless otherwise stipulated in the regulations on securities, company is not allowed to issue bonds if:

a) It fails to make full repayment for the principal and interest of issued bonds or do not pay or make full payment of due debts in the last 3 consecutive years

b) The average after-tax-profit rate in the last three consecutive years is not higher than interest proposed to pay for bonds to be issued.

Issuance of bonds to creditors that are selected financial institutions will not be restricted by article 88(2)(a)&(b).

3. Unless otherwise stipulated in the company charter, the Board of Management will decide on types of bonds, the total value of bonds and issuing time, but will be subjected to report at the nearest meeting of shareholders. The report is required to attach with materials and documents for explaining the decision of the Board of Management on the issuance of bonds.

Article 89. Payment of shares and bonds

Shares and bonds of a shareholding company can be paid in either Vietnamese currency, convertible foreign currencies, gold, value of land use right, value of intellectual property rights, technology and know-how or other types of assets as stipulated in the company charter. Shares and bonds of the company will be paid in full once.

Article 90. Buy-back of shares at requests of shareholders

1. A shareholder will be entitled to request the company to buy back his own shares if such shareholder votes against decisions of the Shareholders' Meeting in relation to the reconstruction of the company or alteration of the rights, obligations of shareholders that stipulated in the company charter. The request must be in writing and comprise of name, resident address, number of shares of each type of the shareholder, the proposed price and the reasons for such request. The request will be sent to the company within 10 days from the date of adopting decision on the related matters.

2. A company must buy back shares at a request made by shareholder as stipulated in article 90(1) at market price or a price as calculated by principle in the company charter within 90 days from the date of receiving such a request. If such a price fails to be agreed, either the shareholder can sell the share to another person or the company and the shareholder can call for an independent organization to

determine the price. The company is required to introduce at least 3 organizations so that shareholders can choose and the decision of the selected organization will be the final.

Article 91. Buy-back of shares in pursuant to decision of the company

A shareholding company is entitled to buy back no more than 30% of total issued ordinary shares or apart or whole of total issued preferential shares in complying with provisions hereunder:

1. The Board of Management will decide on buy-back of 10% or less of total issued shares of each type for every 12 months. In other cases, buy-back of shares will be decided by the Shareholders' Meeting.

2. The Board of Management will set the price for the buy-back. With respect to ordinary shares, the price will not exceed their market price at the time of buy-back, unless otherwise stipulated article 91(3). As for other types of shares, the price of share buy back will not be lower than their market price, unless otherwise stipulated in the company charter or agreed by the company and related shareholders.

3. The company is entitled to buy back shares from every shareholder in proportion to his share capital. In this circumstance, decision on the share buy back must be notified, by sending a secured mail, all shareholders within 30 days from the date of adopting such a decision. The notification must include name and head office of the company, the total number and types of shares proposed to buy back, price or principle of price calculation, procedure and time-limit for payment, procedure and time-limit for shareholders to offer the company their shares.

Shareholders who agree to sell their shares to the company must send their offers to the company within 30 days from the notifying date. The offers must include name, resident address, number of identification card, passport or other relevant personal certification of the individual shareholders; name, head office, nationality, number of establishment or registration of the institutional shareholders; total number of shares and offered shares; payment method, signatures of shareholders or their legal representatives. The company is only entitled to buy back shares offered within the said time limit.

Article 92. Conditions for payment and settlement of buy-back shares

1. A shareholding company is only entitled to make full payment for the buy-back shares as stipulated in article 90 and article 91 of this Law if the company is capable of paying off due debts and other liabilities after making such a payment.

2. All shares that are bought back in conformity with article 90 and article 91 of this law will be deemed as authorized shares.

3. Share certificates of the bought-back shares must be destroyed right after the full payment is made. The chairman of the Board of Management and director or general director will be jointly liable to losses due to their failure or delay in destroying of such share certificates.

4. If payment of buy back shares is led to a decrease in the total value of the company assets by more than 10%, the company is required to notify to all of its creditors within 15 days from date of making such payment.

Article 93. Payment of dividend

1. Dividend of preference shares will be paid in pursuant to conditions of each type of preference share.

2. Dividend of ordinary shares will be paid from net profits of the company. A shareholding company is entitled to pay dividend to its shareholders after fulfilling taxes and other financial obligations; establishing funds and paying off losses in the previous years as stipulated in the laws and the company charter; and as soon as payment of dividend has been made, the company is capable of paying off due debts and other liabilities.

Dividends can be paid in form of cash, shares or assets as stipulated in stipulated in the company charter. If payment is made in cash, that cash must be Vietnamese currency and can be in made by cheque or a monetary order sent to the residence address of shareholders.

Dividends can be paid through bank if the company has all information that enables the company to transfer the dividends to the shareholders' bank account. If the company has transferred the dividend to the address as provided by shareholders, it will not be responsible for any losses that may happen from that transaction.

3. The Board of Management must make a list of shareholders who get paid, determine the amount of dividend, the time and form for making payment at least 30 days prior the date on which the payment is proposed to be made. Notification of dividend payment must be sent by secured mail to the registered address of all shareholders no later than 15 days prior to the date on which such payment is proposed to be made. Such notification must contain name of the company; name, resident address, nationality, number of identification card, passport or other relevant certification of the individual shareholders; name, head office, nationality, number of

establishment or registration of the institutional shareholders; total number of shares of each type of shareholder, dividend per share and the total dividend that such shareholder will receive, time and method of payment; full name and signature of the chairman of the board of management and the company's legal representative.

4. Where a shareholder transfers his shares in between the time of completing the list of shareholders and paying the dividend, the dividend will be paid to the transferor.

Article 94. Recovery of unlawful payment of buy-back shares or dividend

Where the buy-back of shares does not comply with article 92(1) or the payment of dividend is contrary to the article 93 of this Law, all shareholders must return the company their distributed money or assets; in the case where a shareholder is not able to do so, that shareholder and all members of the Board of Management will jointly be liable to debts of the company to the extent of distributed money or assets that he is unable to return to the company.

Article 95. Organisational management of the shareholding company

A shareholding company will comprise of the Shareholders' Meeting, the Board of Management, director or general director, and the Board of supervision in relation to a company with more than eleven individual shareholders or with an institutional shareholders holding more than 50% of total share capital.

Either the chairman of the Board of Management or director or general director is legal representatives of the company as stipulated in the company charter. The legal representative of the company must reside in Vietnam. He must authorize in writing a representative, as stipulated in the company charter, to exercise the rights and obligations on behalf of the legal representative if his absence in Vietnam is more than 30 days.

Article 96. Shareholders' Meeting

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

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

a) Approve development strategy of the company

b) Decide types and total number of authorized shares of each type; decide the annual dividend per share, unless otherwise stipulated in the company charter.

c) Elect, exempt and dismiss members of the Board of Management and the Board of supervision;

d) Make decisions on investment or sales of assets in equivalent to 50% or more of the total value of assets recorded in the latest financial report unless another ratio is stipulated in the company charter.

e) Decide revision or supplementation of the company charter, except where there is an adjustment of share capital as a result of selling further authorized shares;

f) Approve the annual financial report;

g) Make decision on the buy-back of more than 10% of issued shares of each type.

h) Investigate and decide how to deal with breaches committed by the Board of Management, Board of supervision, which cause damage to the company and its shareholders;

i) Decide on the reorganization and dissolution of the company;

j) Other rights and obligations as stipulated in this law and the company charter.

3. Institutional shareholders can authorize one or more individuals to exercise their rights in pursuant to the laws. If there are more than one authorized representative is appointed, it is required that a number of shares and votes of each authorized representative must be specified clearly. The dismissal, appointment or change of authorized representatives will be made in writing and notify to the company as soon as possible. The notification must contain following contents:

a) Name, resident address, nationality, number and date of establishment or business registration of shareholders;

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

c) Full name, resident address, number of identification card, passport or other relevant personal certification of the authorized representatives;

d) The number of authorized shares;

e) Duration of authorization;

f) Full name and signature of the authorized representative and the legal representative for shareholders.

The company is required to notify the business registrar about authorized representative within 5 days from the date of receiving such a notification.

Article 97. Authority to convene the Shareholders' Meeting

1. The meeting of shareholders is required to be held annually or extraordinarily but at least once per year. The venue of the Shareholders' Meeting must be within territory of Vietnam.

2. Annual meeting of shareholders must be convened within four months from the ending date of fiscal year. Upon a request of the Board of Management, this time limit can be extended to no more than 6 months by the business registrar.

The annual meeting of shareholders will discuss and approve:

- a) The annual financial report;
- b) Report of the Board of Management on the evaluation of the business management and performance of the company;
- c) Report of the Board of supervision on the management of the Board of Management, director or general director;
- d) Dividends for each type of shares;
- e) Other issues.

3. The Board of Management is required to convene extraordinary meeting of shareholders if:

- a) It is necessary for the benefits of the company;
- b) Members of the Board of Management are reduced to a number smaller than that stipulated in the law;
- c) There is a request made by shareholder or group of shareholders as stipulated in article 79(2) of this law;
- d) There is a request made by the Board of supervision;
- e) Other cases as stipulated in the company charter.

4. Unless otherwise stipulated in the company charter, the Board of Management will convene the meeting of shareholders within 30 days from the date of receiving a request as stipulated in article 97(3)(c)&(d) or on which decrease in number of members of the board of management is happened.

If the Board of Management fails to convene the shareholders' meeting as required, chairman of the Board of Management will be liable to any damage causing to the company.

5. Where the Board of Management fails to convene the Shareholders' Meeting as stipulated in article 97(4), the Board of supervision in place of the Board of Management will convene the Shareholders' Meeting within the next 30 days in complying with this Law.

If the Board of supervision fails convene the Shareholders' Meeting as required, chairman of the Board of supervision will be liable to any damage causing to the company.

6. Where the Board of supervision fails to convene the Shareholders' Meeting as stipulated in article 97(5), a shareholder or group of shareholders as stipulated article 79(2) of this Law, in place of the Board of Management and Board of supervision, will have the right to convene the Shareholders' Meeting in complying with this Law.

In this case, such a shareholder or group of shareholders may request the business registrar to supervise the convocation of the meeting of shareholders if necessary.

7. Those who conveners the Shareholders' Meeting must make the list of participating shareholders, provide information and resolve complaints in relation to the list of participating shareholders, prepare agenda, contents and materials for such meeting, set the time and venue of the meeting, send the meeting invitations to each participating shareholder in complying with this law.

8. All expenses arising from the convocation and organizing the Shareholders' Meeting as stipulated in article 97(4)(5)&(6) will be reimbursed by the company.

Article 98. List of shareholders eligible to participate in the meeting of shareholders

1. The list of shareholders eligible to participate in meeting of the shareholders will be made basing on the book of shareholder registration. The list will be made as

soon as decision on convocation of the meeting is adopted and must be completed no later than 30 days prior to the opening date of meeting, unless a shorter time limited is stipulated in the company charter.

2. The list of shareholders must contain full name, resident address, nationality, number of identification card, passport or other relevant personal certification of the individual shareholders; name, head office, nationality, number of establishment or registration of the institutional shareholders; number of shares of each type, number and date of shareholder registration.

3. Shareholder are entitled to will have the right to check, review, extract and copy the list of shareholders eligible to participate in the meeting of shareholders; ask for correction of inaccurate information thereof.

Article 99. Agenda and contents of the Shareholders' Meeting

1. Person who convenes the Shareholders' Meeting is responsible for preparing the list of shareholders eligible to attend the meetings and to vote; prepare the agenda and materials for the meeting and the draft decisions proposed to be adopted, determine the time and venue of the meeting and send invitations to all eligible shareholders.

2. Shareholder or group of shareholders as stipulated in article 79(2) of this Law is entitled to recommend matters to be included in the meeting agenda. Such recommendation must be in writing and send to the company no later than 3 days prior to the opening date of such a meeting. Recommendation must explicitly state name of shareholder, total number of shares of each type, number and date of shareholder registration and matters proposed to be included in the meeting agenda.

3. Person who convenes the Shareholders' Meeting can refuse a recommendation as stipulated in article 99(2) only if:

a) That recommendation is not sent within the time limit or does not contain all information as required;

b) Matters that are proposed to be included in the meeting agenda do not fall under jurisdiction of the Shareholders' Meeting.

c) Other circumstances as stipulated in the company charter.

4. Except otherwise provided article 99(3), person who convenes the Shareholders' Meeting must accept and incorporate the recommendation made in

pursuant to article 99(2) into the meeting agenda; the recommendation will be officially added to the meeting agenda by an approval of the Shareholders' Meeting.

Article 100. Invitation of the Shareholders' Meeting

1. Person who convenes the Shareholders' Meeting must send a meeting invitation to all shareholders eligible to participate in the meeting of shareholders no later than 7 days prior to the opening date of the meeting. A longer time limit can be stipulated by the company charter. Meeting invitation is required to send by a secured mail to resident address of shareholders.

The meeting invitation must include: name, head office, number and issuing date of the certificate of business registration, place of business registration of the company; name and resident address of shareholders or their authorized representatives, time and venue of the meeting.

2. The meeting invitations must be enclosed with a standard form of authorization, meeting agenda and other relevant materials as well as draft decisions proposed to be adopted at the meeting.

If the company has a website, the meeting invitation and other relevant materials must be posted on the website along with sending to shareholders.

Article 101. Attendance in the Shareholders' Meeting

1. Individual shareholders and authorized representatives of institutional shareholders may themselves or authorize another person to participate in the meeting of shareholders. Institutional shareholders who do not have authorized representative as stipulated in article 96(3) of this law must authorize a person to participate in the meeting.

2. The authorization document must be made in writing and using a form as standardized by the company and signed by:

a) Shareholder and authorized person if the authorizing person is an individual shareholder.

b) Authorized representative, legal representative of shareholder and authorized person if the authorizing person is authorized representative of an institutional shareholder.

c) Legal representative of shareholder and authorized person in other circumstance.

Person who is authorized to attend the meeting of shareholders is required to submit the authorization document prior to entering into the meeting.

3. Unless otherwise stipulated in article 101(4), voting of the authorized person remains valid even if:

a) The authorizing person is dead or his capacity of civil acts is lost or restricted;

b) The authorization is revoked by the authorizing person.

4. The provisions of article 101(2) will not be applicable if the company is notified in writing about events as stipulated in article 101(3) no latter than 24 hours prior to the opening time of the meeting.

5. Where shares are transferred in between the date of finalizing the list of shareholders and opening date of the meeting, the transferee will have the right to participate in the meeting in place of the transferor with respect to such transferred shares.

Article 102 Conditions for proceeding the Shareholders' Meeting sessions

1. The meeting of shareholders is entitled to open if all participating shareholders own at least 65% of total voting shares; a specific percentage will be stipulated by the company charter.

2. If the first meeting fails to open due to not satisfying conditions as stipulated in article 102(1), the second meeting will be convened within 30 days from the proposed opening date of the first meeting. The second meeting is entitled to open if all participating shareholders own at least 51% of total voting shares; a specific percentage will be stipulated by the company charter.

3. If the second meeting fails to open due to not satisfying conditions as stipulated in article 102(2), the third meeting will be convened within 20 days from the proposed opening date of the second meeting. The third meeting is always entitled to open regardless of the number of participating shareholders as well as their voting shares.

4. Changes in the meeting agenda that enclosed with the meeting invitation as stipulated in article 100 of this Law can be done only by the shareholders' meeting.

Article 103. Formality and voting method of the Shareholders' Meeting

Unless otherwise stipulated in the company charter, formality and voting method of the Shareholders' Meeting will be complying with provisions hereunder:

1. Prior to the opening of the meeting, registration of meeting participants must be done and continued until all eligible participating shareholders are registered. Upon registration, participants will be provided with voting cards corresponding with the number of issues to be voted in the meeting agenda.

2. The Chairperson, secretary and voting committee of the meeting shareholders will be given duties as follows:

a) The Chairman of the Board of Management will chair meetings called out by the Board of Management. Where the chairman is absent or temporarily incapable to work, remaining members will select one of them to be the Chairperson of the meeting. If no one is selected to be the Chairperson, the highest ranking member of the Board of Management will temporarily chair the meeting of shareholders in voting for a meeting chairperson who receives the highest votes.

b) In other cases, the person who signs the decision to convene the meeting will temporarily chair the meeting of shareholders in voting for a meeting chairperson who receives the highest votes.

c) Secretary who is nominated by the chairperson will be in charge of preparing the meeting minutes.

d) The voting committee comprises of no more than three persons who are elected by the meeting of shareholders basing on recommendation of the chairperson.

3. The meeting agenda and contents must be approved by the Shareholders' Meeting at the opening session. The meeting agenda must detail time-schedule for discussing each issue.

4. The Chairperson and secretary of the meeting of shareholders are entitled to conduct activities necessary to ensure that the meeting is working properly in complying with the approved agenda as well as desires of the participants.

5. The Shareholders' Meeting will discuss and vote for each of the issues as printed in the meeting agenda. The voting will be done by the way of firstly collecting voting cards "for", then "against" and finally "blank". The voting results must be announced by the chairperson at the closing time of the meeting.

6. Shareholders or authorized representatives who come after the opening of the meeting are also entitled to register and can vote afterward. The Chairperson is not entitled to suspend the meeting in order to enable the late comers to register; in this circumstance, validity of voting that is already done remains unaffected.

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

a) Apply screening checks or other security measures to the participants;

b) Ask competent agencies to maintain the order of the meeting; expel those who do not comply with the chairperson's instructions, or intentionally disturb and obstruct the smooth progress of the meeting or fails to comply with the security checking requirements.

8. The Chairperson is entitled to delay opening time or change venue of the meeting in the following cases:

a) There is not enough space for the participants at the current meeting venue;

b) One or more participants disturb or obstruct the meeting so that the meeting is not able to proceed fairly and properly.

Delay can not exceed three days from proposed opening date of the meeting.

9. If delay and suspension of the meeting are done by the chairperson contrary to the article 103(8), meeting participants will select one among them to be the chairperson and validity of voting afterward remains unaffected.

Article 104. Adoption of decision of the Shareholders' Meeting

1. Decisions of the Shareholders' Meeting are adopted in form of voting a meeting or consulting opinions in writing.

2. Unless otherwise provided in the company charter, decisions will be adopted by voting at a meeting in relation to following matters:

a) Supplement and amendment of the company charter;

b) Development strategy of the company ;

c) Types of shares and total numbers of authorized shares of each type.

d) Election, exemption or dismissal of members of the Board of Management and board of supervision;

e) Investment or sale of assets in equivalent to 50% or more of the total value of assets recorded in the latest financial report of the company , unless another percentage is stipulated in the company charter.

e) Approval of the annual financial report.

g) Re-organization or dissolution of the company.

2. Decisions of the Shareholders' Meeting will be adopted by:

a) A number of participating shareholders owning at least 65% of total votes. A specific ratio will be stipulated in the company charter.

b) A number of participating shareholders owning at least 75% of total votes if such decisions relate to types of shares and total number of authorized shares of each type; amendment and supplement of the company charter; reorganization and dissolution of the company; investment or sale of 50% or more of the total value of assets recorded in the latest financial report of the company unless otherwise stipulated in the company charter. A specific percentage will be stipulated in the company charter;

c) Election of members of the Board of Members and Board of supervision must be done by a method of accumulative voting. Number of votes given to each shareholder will be total number of shares multiplies by the number of members of the Board of Management or Board of supervision and a shareholder can give all his votes to one or several candidates.

4. A decision that is adopted by a number of participating shareholders owning 100% of total voting shares will be lawful and valid even if procedure for convening the meeting, agenda and formality of the meeting do not strictly follow the law..

5. Decisions of the shareholders' meeting will be adopted in form of consulting opinions in writing by a number of shareholders owning at least 75% of the total votes. A specific ratio will be stipulated in the company charter.

6. Adopted decisions of the shareholders' meeting must be notified to shareholders eligible to attend the meeting within 15 days from the date of adopting such decisions.

Article 105. Adoption of decisions of the shareholders' meeting

Unless otherwise provided in the company charter, authority and procedure for adopting decisions of the shareholders' meeting in form of consulting opinion in writing will be complying with provisions as follows:

1. The Board of Management is entitled to choose the form of consulting opinion in writing when adopting decisions of the shareholders' meeting if it is necessary for the benefits of the company.

2. The Board of Management will be in charge of preparing the opinion inquiry, drafted decisions of the Shareholders' Meeting and other explanatory documents. The opinion inquiry, drafted decisions and other explanatory documents must send by a secured mail to the residential addresses of shareholders.

3. The opinion inquiry must contain following contents;

a) Name, head office, number and issuing date of the certificate of business registration, place of business registration of the company;

b) Purpose of the opinion consultation.

c) Full name, resident address, nationality, number of identified card, passport or other relevant personal certification of the individual shareholders; name, head office, nationality, number of establishment or registration of the institutional shareholders or their authorized representatives; number of shares of each type and number of votes of shareholders.

d) Matters subjected to opinion consultation.

e) Proposed votes: "for", "against" and "blank"

f) Deadline for sending the opinion inquiry back to the company.

g) Name and signature of the chairman of the Board of Management and the legal representative of the company.

4. The opinion inquiry must be signed by individual shareholders or authorized representative or legal representative of institutional shareholders.

The opinion inquiry that is sent back to the company must be put in a sealed envelop and no one is entitled to open before counting the votes. An opinion inquiry that is sent back to the company latter than the time limit or is opened will be considered as invalid.

5. The Board of Management will be in charge of counting the votes and prepare the minute in front of observers who are the Board of supervision or shareholders who are not managers of the company.

The minute must contain following contents:

a) Name, head office, number and issuing date of the certificate of business registration, place of business registration;

b) Purposes and matters subjected to the opinion consultation;

c) Number of shareholders and total number of votes, in which number of votes “for” and “against” should be distinguished and list of voting shareholders.

d) Total number of votes “for”, “against” or “blank” in relation to respective matters;

e) Adopted decisions.

f) Full name and signature of the Chairman of the Board of Management, legal representative of the company and the observer.

Members of the Board of Management and observers will be jointly liable to the accuracy and truthfulness of the minute as well as losses derived from implementing decisions that are adopted due to inaccurate and dishonest counting of votes.

6. The minute must be sent to all shareholders within 15 days from the date of finishing counting of votes.

7. Returned opinion inquiry, minute and full-text adopted decisions and other related documents that are attached with the opinion inquiry must be retained at the head office of the company.

8. Decisions that are adopted in form of consulting opinion are the same valid as those adopted at the meeting of shareholders.

Article 106. Minutes of the Shareholders' Meeting

1. All meeting of shareholders must be recorded in the book of meeting minutes. The meeting minutes must be made in Vietnamese and in another foreign language if any. It must contain following contents:

a) Name, head office, number and issuing date of the certificate of business registration, place of business registration;

- b) Time and venue of the meeting of shareholders;
- c) Meeting agenda and contents;
- d) The meeting chairperson and secretary;
- e) Summary of the meeting progress and speeches made during the meeting in relation to respective matters;
- f) Number of shareholders and total votes of the participating shareholders; the list of participating shareholder or their authorized representatives together with their votes;
- g) Total number of votes “for”, “against” and “blank” in relation to respective matters;
- h) Adopted decisions;
- i) Full names and signatures of the meeting chairperson and secretary.

Validity of the meeting minutes is the same in either Vietnamese and foreign language.

2. The meeting minutes must be completed and approved before closing time of the meeting.

3. The meeting chairperson and secretary will be jointly responsible for the accuracy and truthfulness of the meeting minutes.

The meeting minutes must be sent to all shareholders within 15 days from the closing date of the meeting.

The meeting minutes, list of participating shareholders, full-text adopted decisions and other materials that are attached with the meeting invitation must be retained at the head office of the company.

Article 107. Revocation of decisions of the Shareholders' Meeting

Within 90 days from the date of receiving the meeting minutes or voting result in case of consulting opinion in writing, shareholders, member of the Board of Management or Board of supervision, director or general director are entitled to file a petition requesting the court or arbitration to revoke decisions of the shareholders' meeting if:

1. Formality and procedure for convening meeting of shareholders fail to comply with provisions of this law and the company charter.

2. Formality and procedure for adopting decisions of the shareholders' meeting as well as contents thereof are contrary to the laws or the company charter.

Article 108. The Board of Management

1. The Board of Management is a management body of the company, which is entitled to act on behalf of the company in exercising all the rights and obligations, except those falls under the authority of the Shareholders' Meeting.

2. The Board of Management will have following rights and obligations:

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

b) Make proposals with regard to the types of shares and the total number of authorized shares of each type;

c) Decide on new offer of authorized shares of each type; mobilization of capital in other form;

d) Set the offering price of shares and bonds;

e) Determine the share buy-backs as stipulated in article 91(1) of this Law;

f) Decide on investment projects as stipulated in this law or the company charter

g) Unless otherwise stipulated in article 120(1)&(3) of this law, make decisions on market promoting, marketing and technology solutions; approve all contracts of sales, purchase, borrowing, lending or any other types of contracts worth 50% or more of the total value of assets recorded in the latest financial report of the company or a smaller ratio stipulated in the company charter;

h) Appoint and dismiss the director or general director and other key managers of the company, decide salary and other benefits applied to such persons; appoint the authorized representative to exercise the ownership rights of shares or the rights of capital contribution in other companies, decide allowances and other benefits to be applied to such persons.

i) Supervise and guide the director or general director and other managers in running the day-to-day business of the company.

k) Approve the organisational structure, internal working rules; make decisions on the establishment of branches, representative offices and subsidiaries; decide the contribution of capital to or buying of shares issued by other companies;

l) Approve the agenda, materials of the Shareholders' Meeting, convene meeting of shareholders or be in charge of consulting opinion in writing when adopting decisions of the shareholders' meeting;

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

n) Make decisions on the amount of dividend, time and procedure for payment of such dividend or method for settlement of losses;

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 charter.

3. The Board of Management may opt to have its resolutions adopted either by means of voting at the meeting, consulting opinion in writing or other means as stipulated in the company charter. Each member of the Board of Management will be given one vote.

4. When exercising the rights and obligations, the Board of Management has to comply with all provisions of the law, the company charter and decisions of the Shareholders' Meeting. If decisions of the Board of Management that are adopted in breach of the laws or the company charter cause losses to the company, members who voted for those decisions will be jointly responsible for compensating the company; members who voted against those decisions are not liable. In this case, any shareholder who owns shares for at least one year can request the Board of Management to suspend the implementation of the decisions.

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

1. The Board of Management will consist of at least 3 members and no more than 11 members, unless otherwise provided in the company charter. Number of members of the Board of Management who are required to reside in Vietnam will be stipulated in the company charter. Term of the Board of Management is of five years and members of the Board of Management can be re-elected unlimitedly.

2. The Board of Management will work until the new Board of Management is elected and take over the task.

3. If a member is elected term, either in supplementing or replacing the member who is dismissed or exempted, term of this member will be the remaining term of the Board of Management.

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

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

1. Members of the Board of Management must meet following qualification:

a) Having capacity for civil acts and are not prohibited from establishing an enterprise as stipulated in this Law;

b) Being individual shareholders who own at least 5% of ordinary shares of the company or another person with expertise and experience in relation to business management or major business activities of the company; other qualification can be stipulated by the company charter.

2. As for subsidiary in which the state owned capital is of 50% or more than of the charter capital, members of the board of management can not be related persons of managers and persons who have power to appoint managers of the holding company.

Article 111. Chairman of the Board of Management

1. Chairman of the board of management will be elected by either the Shareholders' Meeting or the Board of Management as stipulated in the company charter. The Chairman may hold at the same time the post of the director or general director, unless otherwise stipulated in the company charter.

2. The Chairman will have the following rights and obligations:

a) Prepare programs and working plans of the Board of Management;

b) Prepare agenda, contents and materials for the meetings of the Board of Management; convene and chair the meetings

c) Be in charge of adopting decisions of the Board of Management;

d) Supervise the implementation of decisions adopted by the Board of Management;

e) Chair the meetings of shareholders;

f) Other rights and obligations as stipulated in this Law and the company charter.

3. The Chairman can authorize another member of the board of management to exercise rights and obligations of the chairman during his absence in accordance with principles as stipulated in the company charter. If no member is authorized or the chairman is incapable of working, remaining members will elect one of them to exercise temporarily rights and obligations of the chairman by principle of majority.

Article 112. The meeting of the Board of Management

1. If the chairman is elected by the Board of Management, the first meeting of the board of management must be convened within 7 days from the date on which the board of management is elected in order to select the chairman and adopt other decisions. Member who has the highest votes is responsible to convene the meeting. If there are more than one member who has the same highest votes, members will elect one of them to take responsibility of convening the meeting on principle of majority.

2. Meeting of the Board of Management can be ordinary or extraordinary. The meeting can take place at the head office of the company or another place.

3. Ordinary meetings of the Board of Management will be convened by the chairman at any time when necessary but at least once per quarter.

4. The chairman must convene a meeting of the Board of Management if:

a) Requested by the Board of supervision;

b) Requested by the director or general director or at least 5 other managers;

c) Requested by at least 2 members of the Board of Management;

d) Other circumstances as stipulated in the company charter.

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

5. The chairman must convene a meeting of the Board of Management within 15 days from the date of receiving the request as stipulated in article 112(4). If the chairman fails to do so, he will be individually liable to losses causing to the company

and such requesting persons in place of the Board of Management are entitled to convene the meeting.

6. The meeting invitation must be sent by the chairman or persons who convene the meeting at least five days prior to the opening date of the meeting, unless otherwise stipulated in the company charter. The meeting invitation must specify explicitly the time and venue, agenda, issues proposed to be discussed and adopted. Other relevant meeting materials as well as voting form must be attached to the meeting invitation.

The meeting invitation can be sent by mail, fax, email or other means but ensure that it is sent to the registered address of members of the board of management.

7. The chairman or the person who convenes the meeting has to forward the meeting invitation and relevant materials to members of the Board of supervision and the director or general director as of to other members of the Board of Management.

Members of the Board of supervision, director or general director who are not members of the Board of Management can participate and discuss in all meetings of the Board of Management but without having the right to vote.

8. A meeting of the Board of Management can be open if there is attendance of $\frac{3}{4}$ of total members of the board of management.

Members who do not directly participate in the meeting can vote by sending mail. Vote must be put in a sealed envelop and sent to the chairman of the Board of Management at least one hour prior to the opening time of the meeting. The vote can only be opened in front of all participants in the meeting.

A decision of the Board of Management will be adopted by the majority of the participating members; in case where no majority can be established, the decision will be adopted in favor of the chairman vote.

9. Members are obligated to participate all meetings of the Board of Management. Members can authorize another person to participate meetings of the Board of Management if approved by a majority of members.

Article 113. Meeting Minutes of the Board of Management

1. All meeting minutes of the Board of Management will be recorded in the book of meeting minutes. Meeting minutes will be in Vietnamese and in foreign languages and must contain following contents:

- a) Name, head office, number and issuing date of the certificate of business registration, place of business registration;
- b) Objectives and meeting agenda and contents;
- c) Time and venue of the meeting;
- d) Full name of participating members or their authorized person; full name of absent members and reasons for absence.
- e) Issues proposed to be discussed and voted during at the meetings.
- f) Summary of opinions of participating members;.
- g) The voting result, in which number of votes “for”, “against” and “blank” must be clearly defined.
- h) Adopted decisions;
- i) Full name and signatures of all participating members or their authorized persons.

Chairperson and secretary of the meetings will jointly be liable to the accuracy and honesty of the meeting minute.

2. The minutes of the meeting of the Board of Management and other relevant materials used during the meeting will be retained at the head office of the company.

3. Validity of the meeting minutes, either in Vietnamese or foreign language is the same.

Article 114. The right of members of the Board of Management in relation to provision of information

1. Members of the Board of Management are entitled to request the director or general director, deputy director or deputy general director or other department heads of the company to provide information and documents with regard to the financial situation, business performance of the company.

2. The persons who are requested to provide information are obliged to provide promptly, fully, adequately and accurately information or materials as requested.

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

1. A member of the Board of Management will be dismissed or exempted if:

a) He does not satisfy qualification as stipulated in article 110 of this Law;

b) He does not participate in any meeting of the Board of management for 6 consecutive months, except in case of force majeure;

c) He himself asks for the resignation;

d) Other circumstances as provided in the company charter.

2. Beside the cases stipulated in article 115(1), a member of the Board of Management can be dismissed at any time by a decision of the Shareholders' Meeting.

3. Where the number of members of the Board of Management is reduced by more than 1/3 of the minimum number as stipulated in the company charter, the Board of Management is required to convene a meeting of shareholders within 60 days from the date on which such a reduction in number of the board of manage is occurred in order to elect new members.

In other cases, the nearest coming meeting of shareholders will elect new members.

Article 116. Director or general directors

1. The Board of Management will appoint one among them or other person to act as the director or general director of the company. The director or general director will act as the legal representative of the company unless the company charter specifies that the chairman of the Board of Management will so act.

2. The director or general director will manage the day-to-day business operation of the company under the supervision of the Board of Management and be liable to the Board of Management for his performance of assigned rights and obligations.

The term of the director or general director is no more than 5 years and can be renewed unlimitedly.

Qualification of the director or general director will be complying with article 57 of this Law.

The director or general director of the company cannot be simultaneously the director or general director of another company.

3. The director or general director will have following rights and obligations:

a) Make decisions on all matters arising from the day-to-day business operation of the company without insisting adoption of decision of the Board of Management.

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

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

d) Make proposals as to the organizational structure and the internal management rules of the company;

e) Appoint, dismiss or remove managers of the company, except those whose appointment, dismissal or removal are within the power of the Board of Management;

f) Determine the salary and other allowances of employees of the company, including managers whose appointment is within the power of the director or general director;

g) Hire employees;

h) Make proposal as to payment of dividend or settlement of losses of the company.

i) Other rights and obligations as stipulated in this Law, the company charter and decisions of the Board of Management.

4. The director or general director will manage the day-to-day business operation of the company in accordance with the regulations of the laws, the company charter, the labor contract with the company and the decisions of the Board of Management. If his management is contradict to this article causing losses to the company, the director or general director will be liable to indemnify any loss.

Article 117. Salary, allowance and other benefits of members of the Board of Management, director or general director

1. The company is entitled to pay the remuneration, salaries to the members of the Board of Management, director or general directors and other managers in according to the performance and profits of the business.

2. If the company charter does not regulate otherwise, the remuneration, salaries, and other benefits of the members of the Board of Management, director or general directors will be paid in complying with provisions hereunder:

a) Members of the Board of Management will paid remuneration and bonuses. The remuneration is calculated basing on the working days necessary to complete the assigned tasks and the daily remuneration. Remuneration for each member of the board of management will be estimated by the board of management on principle of consensus. The total remuneration of the Board of Management will be determined by the Shareholders' Meeting in an ordinary meeting.

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

c) The director or general director will be paid salary and bonus. The salary of the director or general director is determined by the Board of Management.

3. Remuneration of the Board of Management and salaries of director or general director or other managers of the company will be deducted from business expenses of the company and will be presented in a separate section of the company's annual financial statement and reported to the annual Shareholders' Meeting.

Article 118. Disclosure of related benefits

1. Members of the Board of Management, the director or general director and other managers of the company must disclose all their benefits to the company, including:

a) Name, head office, business activities, number and issuing date of the certificate of business registration, location of business registration of the company in which they have capital contribution or shares; ratio and time of holding such capital contribution or shares.

b) Name, head office, business activities, number and issuing date of business registration, location of business registration of the company in which their related persons individually or jointly own capital contribution or shares in equivalent to 35% of the charter capital.

2. Disclosure as stipulated in article 118(1) must be made within 7 days from the date of having related benefits; any supplement and change must also disclose within 7 days from the date on which such supplement or change is happened.

3. Disclosure as stipulated in article 118(1)&(2) must be reported to the ordinary meeting of shareholders and displayed at the head office of the company. Shareholders or their authorized representatives, members of the Board of Management, the Board of supervision, director or general director have right to check content of the disclosure any time if necessary.

4. Members of the Board of Management, director or general director who, on their own behalf or on behalf of others, conduct any activity within the scope of the business operation of the company must explain the nature and contents of such activity to the Board of Management and Board of supervision and they are allowed to carry out such activity only if it is approved by a majority of members of the Board of Management.

If such an activity is carried out without disclosing or approval of the Board of Management, any benefit gained from such activity will belong to the company.

Article 119. Duties of managers

1. Member and chairman of the Board of Management, director or general director and other managers of the company will have following duties:

a) Exercise rights and obligations in accordance with provisions of this law, other related laws, the company charter and decisions of the shareholders' meeting;

b) Exercise rights and obligations in a fiduciary, diligent and optimal manner for the purpose of maximizing legitimate benefit of the company and its shareholders;

c) Pledge loyalty toward the company and its shareholders; do not make use of information, know-how and business opportunity of the company as well as abuse their position, power and assets of the company for the benefit of themselves or other individual or organization;

d) Notify promptly, fully and accurately the company of companies in which they or their related persons are sole owner or own a dominant capital contributor or major shareholder.

This notification must be displayed at the head office or branches of the company.

2. Beside duties as stipulated in article 119(1), the Board of Management or director or general director are not allowed to increase the salary or pay bonus if the company is incapable of paying off due debts and other liabilities.

3. Have other obligations as stipulated in the laws and the company charter.

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

1. The Shareholders' Meeting or the Board of Management will approve contracts and transactions between the company and:

a) Shareholders or their authorized representatives who own more than 35% of total ordinary shares of the company as well as their related persons;

b) Members of the Board of Management, director or general director of the company;

c) Companies as stipulated in article 118(1) and other related persons of the members of the Board of Management, director or general director.

2. Contracts and transactions in equivalent to less than 50% of total value of assets recorded in the latest financial report of the company or smaller percentage as stipulated in the company charter will be approved by the Board of Management. In this circumstance, the legal representative of the company must send draft contracts or their brief contents to all members of the Board of Management along with displaying them at the head office or branches of the company. The Board of Management will approve such contracts or transactions within 15 days from the date of displaying. Members who have related benefits are not allowed to vote.

3. Other contracts and transactions except those stipulated article 120(2) will be approved by the Shareholders' Meeting prior to signing. The Board of Management will be in charge of submitting draft contracts or explain the main content of intended transactions during the meeting of shareholder or consulting shareholders' opinion in writing. In this case, shareholders who have related benefits are not allowed to vote;

contracts or transactions will be approved by a number of shareholders owning at least 65% of total votes.

4. Contracts or transactions that are concluded without approval as stipulated in article 120(2)&(3) will be void and treated in according to the laws. The legal representative of the company, shareholders, members of the Board of management or director or general director related [to such contracts or transactions] must compensate for any incurred losses and return to the company all benefits as resulted from performing of such contracts or transactions.

Article 121. The Board of supervision

1. Unless otherwise provided in the company charter, the Board of supervision will comprise of from 3 to 5 members; the term of the Board of supervision will be no more than five years and the members of the Board of supervision can be re-elected with unlimited number of terms.

2. Members of the Board of supervision will appoint one of them to be the head of the Board of supervision. Rights and obligations of the head of the Board of supervision are stipulated in the company charter. More than half of the members of the Board of supervision must reside in Vietnam, and at least one member is an accountant or auditor.

3. The Board of supervision will work until the new Board of supervision is elected and take over the task

Article 122. The qualifications of members of the Board of supervision

1. Members of the Board of supervision are required to satisfy following qualifications:

a) Being a person who is than 21 years old, has capacity for civil acts and is not prohibited from establishing and managing enterprises as stipulated in this Law.

b) Not being wife, husband, father, foster father, mother, foster father, child, adopted child or sibling of members of the Board of Management, director or general director and other managers of the company.

2. Members of the Board of supervision can not be managers of the company. Members of the Board of supervision are not necessarily shareholders or employees of the company.

Article 123. Rights and obligations of the Board of supervision

1. The Board of supervision will exercise supervision over the Board of Management, director or general director in managing and running the company; be responsible toward the Shareholders' Meeting in exercising assigned rights and obligations.

2. Reviewing the reasonableness, lawfulness, trustworthiness and diligence of the business management and running, accounting books, and financial statements.

3. Appraising the reports on business operation, annual and half-year financial reports of the company and the report on evaluation of performance of the Board of Management.

Submit report on appraising business operation, annual and half-year financial report, performance of the Board of Management to the shareholders' meeting.

4. Check and review accounting books and other documents of the company or matters particularly related to the management and running of the company if necessary or in pursuant to a decision of the Shareholders' Meeting, or at the request made by shareholder or group of shareholders as stipulated in article 79(2) of this Law.

5. Upon a request made by shareholder or group of shareholders as stipulated in article 79(2), investigation must be done by the board of supervision within 7 days from the date of receipt of such request. The board of supervision must report to the board of management and requesting shareholder or group of shareholders in relation to investigated issues within 15 days from the ending date of the investigation.

The investigation of the Board of supervision as stipulated in article 123(5) must be carried out in a manner that does not hinder a usual operation of the Board of Management as well as interrupt the normal business operation of the company.

6. Recommend the Board of Management or the Shareholders' Meeting to take measures on adjusting and improving structure of organizational management of the company.

7. Notify the board of management of any violation of duties of managers as stipulated in article 119 of this Law and request the manager who committed such a violation to stop and indemnify losses.

8. Other rights and obligations as stipulated in this law, the company charter or decisions of the Shareholders' Meeting.

9. The Board of supervision is entitled to make use of consulting service when carrying out assigned obligations.

The Board of supervision may ask the Board of Management for giving its comments before submitting reports, conclusions or recommendations to the Shareholders' Meeting.

Article 124. Right of the Board of supervision in relation to provision of information

1. The meeting invitation, voting inquiry of the board of management and other relevant materials must be forwarded to the Board of supervision at the same time and in the same way as applied to the members of the Board of Management.

2. Reports made by director or general director and submitted to the Board of Management and other relevant materials issued by the company must be sent to members of the Board of supervision at the same time and in the same way as applied to members of the Board of Management.

3. Members of the Board of supervision are entitled to access to all files, documents of the company, which are retained at the head office, branches or other location of the company; are entitled to enter into any location where managers and employees are working in.

4. The Board of Management and members of the Board of Management, director or general director must report and provide fully and promptly information and documents in relation to the management and business performance of the company upon a request made by the Board of supervision.

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

Unless otherwise provided in the company charter, remuneration and other benefits for members of the Board of supervision are paid in complying with provisions hereunder:

1. Members of the Board of supervision will be paid remuneration and other benefits in according to decisions of the ordinary meetings of shareholders. The total remuneration and the annual budget saved for the Board of supervision will be

determined by the Shareholders' Meeting based on estimated number of working days, amount and nature of work and the average daily remuneration of members.

2. Members of the Board of supervision will be paid expenses such as meals, accommodations, transportation and fees for using independent consultants at an appropriate rate. The total remuneration and expenses cannot exceed the total annual budget saved for the Board of supervision, which is already approved by the Shareholders' Meeting, unless otherwise decided by the Shareholders' Meeting.

3. Remuneration and other expenses of the Board of supervision will be deducted from the business expenses of the company and must be presented in a separate section of the company's annual financial statement.

Article 126. Duties of members of the Board of supervision

1. Comply with the laws, the company charter, decisions of the Shareholders' Meeting and the professional ethics when performing assigned rights and obligations given to members of the Board of supervision.

2. Exercise assigned rights and obligations in a fiduciary, diligent and optimal manner in order to maximize legitimate benefit of the company and its shareholders.

3. Pledge loyalty toward the company and its shareholders; do not make use of information, know-how and business opportunity of the company as well as abuse their position, power and assets of the company for the benefit of themselves or other individual or organization;

4. Other obligations as stipulated in this law and the company charter.

5. Members of the Board of supervision will be individually or jointly liable to any damage caused to the company or other persons as a result from violating duties as stipulated in article 126(1)(2)(3)&(4) of this law.

Any income or benefit that members of the Board of supervision gained directly or indirectly by violating duties as stipulated in article 126(3) will belong to the company.

6. The Board of Management must notify in writing to the Board of supervision of any violation of duties of a member of the board of supervision along with asking such a member to stop and indemnify losses.

Article 127. Dismissal of members of the Board of supervision

1. A member of the Board of supervision can be dismissed if:

a) He does not satisfy qualifications as stipulated in article 122 of this Law;

b) He does not exercise his rights and obligations for six consecutive months, except in case of force majeure.

c) He himself asks for the resignation.

d) Other cases as stipulated in the company charter.

2. Members of the Board of supervision can be dismissed at any time by a decision of the Shareholders' Meeting.

3. If the Board of supervision violates its duties so seriously that may cause damage to the company, the Board of Management will convene the meeting of shareholders in order to dismiss the existing board of supervision and elect new one.

Article 128. Submission of the annual statements and reports

1. By the end of a fiscal year, the Board of Management is required to prepare following reports and materials:

a) Report on the business operation of the company;

b) Financial report or statement;

c) Report on evaluation of the management performance of the company;

2. In relation to the shareholding company, annual financial statement must be audited before submitting to the General Shareholders Meeting for approval.

3. Unless otherwise provided in the company charter, the reports and materials as stipulated in article 128(1) must be submitted to the Board of supervision for an evaluation at least 30 days before the opening date of the ordinary meetings of shareholders.

4. Reports and materials of the Board of Management, reports of the Board of supervision and auditing report must be available at the head office of the company and its branches at least 7 days before the opening date of the ordinary meeting of shareholders.

Shareholders owning shares for at least one year are entitled review all above-mentioned reports and materials themselves or together with their lawyers or certified auditors or accountants.

Article 129. Disclosure of information

1. Shareholding company must send the annual financial statement that is already approved by the Shareholders' Meeting to the competent state agency in according to the laws on accounting and related laws.

2. A brief summary of the annual financial statement of the company must be sent to all shareholders.

3. Individual or organization will be entitled to look or copy the annual financial statements of the shareholding company at the Business Registrar.

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 and carry out business under one common name (hereinafter referred to as general partner); in addition to general partner, there may also be limited partners;

b) General partner must be individual and will be liable to all obligations of the partnership with his entire property;

c) Limited partners will be liable to debts of the partnership only to the extent of their capital contributed to the partnership.

2. A partnership will be given legal status from the issuing date of the certificate of business registration.

3. Partnership is not permitted to issue any type of securities.

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

1. General partner and limited partner are required to make capital contribution fully and promptly as committed.

2. General partner who does not make capital contribution so fully and promptly that cause losses to the company must compensate for those losses.

3. If a limited partner does not make capital contribution fully and promptly as committed, deficiency in the capital contribution will be considered as his debt to the company; in this circumstance, such a limited partner may be expelled from the partnership by a decision of the partners' council.

4. Upon a full capital contribution, partners will be granted a certificate of capital contribution. The certificate of capital contribution must contain following main contents:

a) Name, head office of the company

b) Number and issuing date of the certificate of business registration;

c) Charter capital of the company

d) Name, address, nationality, number of identification card, passport or other relevant personal certification of partners; types of partners

e) Value of contributed capital and type of assets used to make capital contribution;

f) Number and issuing date of certificate of capital contribution;

g) Rights and obligations of the owner of the certificate of capital contribution;

h) Full name and signature of the owner of the certificate of capital contribution and all general partners.

5. If the certificate of capital contribution is lost, burnt, partially damaged or otherwise destroyed, it can be re-issued.

Article 132. Property of the partnership

1. Assets which have been contributed by partners and conveyed to the company.

2. Assets generated by the company.

3. Assets generated from business operations that carried out by partners on behalf of the partnership or from any business related to registered business activities of the partnership that carried out by partners on behalf of themselves.

4. Other assets as stipulated in the laws.

Article 133. Restrictions on the rights of general partners

1. General partner cannot be sole proprietor or general partner of another partnership, unless otherwise agreed by remaining general partners.

2. General partner is not permitted to act on his own behalf or on behalf of other person in carrying out the same business activities of the partnership for the benefit of himself or other.

3. General partner is not entitled to transfer a part or whole of his capital contribution to others.

Article 134. Rights and obligations of the general partner

1. General partner is entitled to :

a) Participate in meetings, discuss and vote; a general partner will have one vote unless otherwise stipulated in the company charter.

b) Carry out registered business activities on behalf of the partnership; engage in contracts or transactions that may maximize benefit of the partnership.

c) Use the partnership's property, including seals and other assets in order to carry out registered business activities; be reimbursed by the partnership advance expenses, including interests that he spent in carrying out business activities of the partnership.

d) Request the company to compensate for the loss or damages from conducting business activities if such losses or damages are incurred not due to his mistakes.

e) Request the company or other general partners to provide information on the business performance; check the assets, accounting books and other documents of the partnership at any time when necessary.

f) Receive profits in proportion to his capital contribution, unless otherwise stipulated in the company charter.

g) Receive a part of the assets in proportion to his capital contribution, unless otherwise stipulated in the company charter when the partnership is dissolved or bankrupt

h) Heritage of a general partner who is dead or declared to be dead by the court will be his capital contribution after deducting all his debts and liabilities. The heir of the general partner may become a general partner if so accepted by the partners' council.

i) Other rights as stipulated in this law and the company charter.

2. General partner is obligated to:

a) Manage and carry out business activities in a fiduciary, diligent and optimal manner in order to maximize legitimated benefit of the partnership and all partners.

b) Manage and carry out business activities of the company in accordance with the laws, the company charter and the decision of the partners' council; make compensation for any loss caused to the partnership due to violation of his duties.

c) Not use the partnership's property for benefits of himself or other individual or organization.

d) Return to the partnership any gain or compensate for any loss if he appropriates money deriving from registered business activities of the partnership, either on behalf of the partnership, himself or other person.

e) Be jointly liable with his entire property to debts and other obligations of the partnership if the property of the partnership is not sufficient to pay off those debts.

f) Take losses in proportion to his capital contribution, unless otherwise stipulated in the company charter.

g) Make report on the business performance and submit it monthly, honestly and accurately to the partnership; provide information on the business operation and performance as request by partners.

h) Other obligations as stipulated in this law and the company charter.

Article 135. Partners' Council

1. All partners make up the partners' council. The partners' council will elect one among them to be the chairman of the partners' council; the chairman will be director or general director of the partnership, unless otherwise provided in the company charter.

2. All general partners are entitled to ask for convocation of the meeting of partners in order to discuss and decide on matters in relation to business activities of the partnership. Partners who ask for convocation of the meeting will be in charge of preparing the agenda, contents and materials for that meeting.

3. The partners' council is entitled to decide on business operations of the partnership. Unless otherwise stipulated in the company charter, following issues will be decided by $\frac{3}{4}$ of total general partners:

a) Development strategy of the partnership;

b) Supplement and amendment of the company charter.

c) Acceptance of new general partners;

d) Withdrawal or expelling of general partners;

e) Investment plan;

f) Borrowing or capital mobilization of capital in equivalent to 50% or more of the charter capital, unless otherwise provided in the company charter.

g) Purchase or sale of assets in equivalent to the charter capital, unless otherwise provided in the company charter.

h) Approval of the annual financial statement, total profits and profits distributed to each partner;

i) Liquidation of the partnership;

4. Unless otherwise stipulated in the company charter, other decisions rather than those stipulated in article 135(3) will be adopted by $\frac{2}{3}$ of total general partners.

5. Voting right of limited partners will be complying with the company charter.

Article 136. Convocation of meeting of the partners' council

1. Chairman of the partners' council can convene a meeting of the partners' council when necessary or upon request of general partners. If the chairman fails to convene the meeting upon request of general partner, such general partner is entitled to convene the meeting.

2. Meeting invitation may be inform of sending mail or using telephone, fax, telex or other electronic means. The meeting invitation must contain the purpose,

content, agenda, time, venue of the meetings and signature of partner who request for convocation of the meeting.

Materials that are used for deciding issues as stipulated in article 135(3) of this law must be sent to all partners. Time limit for sending such materials will be stipulated in the company charter.

3. The chairman of the partners' council or requesting partner will chair the meeting. Meetings of the partners' council must be recorded in the book of meeting minutes. The meeting minutes must contain following contents:

a) Name and head office of the company, number and issuing date of the certificate of business registration, place of business registration;

b) Purpose, content and agenda of the meeting;

c) Time and venue of the meeting;

d) Full name of the chairman and of participating partners;

e) Opinions of participating partners;

f) Decisions and their brief summary of contents, number of participating partners who voted for those decisions;

g) Signatures of all participating partners.

Article 137. Business management of the partnership

1. All general partners are entitled to act as legal representative of the partnership in carrying out business activities. Any restriction applicable to general partners in relation to conducting day-to-day business activities of the partnership will be effective to the third party if this party is informed.

2. General partners will agree on division of their duties in relation to management and running of the company.

If a business activity is carried out by several partners, the decision will be adopted on the principle of majority.

The partnership will not be liable to any activity that is carried out by general partner and outside the scope of business activities of the partnership, unless otherwise agreed by the partners.

3. The partnership can open one or several accounts with a bank. The partners' council will appoint one partner who is entitled to deposit and withdraw money from those accounts.

4. Chairman of the partners' council, director or general director of the partnership is obligated to:

a) Manage and run the day-to-day business operation of the partnership as a general partner;

b) Convene and organize meetings of the partners' council; sign decisions of the partners' council .

c) Make arrangement of business activities and coordination between partners; sign decisions promulgating internal rules and other working regulations of the partnership;

d) Retain fully and honestly all accounting books, invoices and other documents of the partnership in pursuant to the laws.

e) Act on behalf of the partnership in working with state authority; act on behalf of the partnership as a plaintiff or defendant in lawsuits or other commercial disputes.

f) Other duties as stipulated in the company charter.

Article 138. Termination of the partner status

1. The partner status will be terminated in the following cases:

a) Voluntary withdrawal of the capital contribution from the partnership;

b) Dead or being declared dead by the court;

c) Being declared missing by the court or the capacity of civil acts is lost or restricted;

d) Being expelled from the partnership.

e) Other cases as stipulated in the company charter.

2. General partners can withdraw their capital contribution from the partnership if so accepted by all remaining general partners. In this circumstance, partners who would like to withdraw their capital contribution from the partnership must file a request in writing with the partnership at least 6 months before the date of

withdrawing capital contribution. Withdrawal of capital contribution can be done at the end of the fiscal year and after the financial statement of such fiscal year has been approved.

3. General partners will be expelled from the company in the following cases:

a) They are incapable of making capital contribution or do not make capital contribution fully as committed after being reminded at the second time;

b) They conduct any activity in violating article 133 of this Law;

c) They do not carry out business activities in a fiduciary, diligent and optimal manner or carry out inappropriate activities causing losses to the partnership and its partners.

d) They do not fulfill correctly duties of general partners.

4. In case where the partner status is terminated due to capacity of civil acts of that partner is lost or restricted, his capital contribution will be refunded fairly and properly.

5. General partner whose partner status is terminated as stipulated in article 138(1)(a)&(d) will be jointly liable to debts of the partnership with his entire property within two years from the date of terminating the partner status.

6. If name of partners whose partner status is terminated is used to constitute a part or whole of name of the partnership, such partners or their legal representative or heir can request the partnership to stop using of that name.

Article 139. Admission of new partners

1. One or several new partners can be admitted to the partnership. Admission of new partner, either general or limited partners, must be approved by all general partners.

2. A new general or limited partner must make capital contribution fully and promptly as committed within 15 days from the date of being accepted, unless otherwise decided by the partners' council.

3. New general partners will be jointly responsible for all liabilities and other obligations of the partnership with their entire property, unless otherwise agreed between them and existing general partners.

Article 140. Rights and obligations of limited partners

1. Limited partners are entitled to:

a) Attend, discuss and vote in the meeting of the partners' council in relation to matter such as amendment or supplement of the company charter, supplement and amendment of rights and obligations of limited partners, re-organization and liquidation of the partnership and other matter closely related to their rights and obligations.

b) Receive profits in proportion to their capital contribution;

c) Be provided with the annual financial statement of the partnership; request the chairman of the partners' council, general partners to provide fully and honestly information in relation to business situation and performance of the partnership; review accounting books, book of meeting minutes, contracts, files and other relevant documents issued by the company.

d) Freely transfer their capital contribution to others;

e) Carry out registered business activities of the partnership on behalf of themselves or other.

f) Dispose their capital contribution by the way of inheritance, donor, mortgage or collateral and other form as stipulated in the laws and the company charter; heir of partner who is dead or declared dead by the court will become automatically partner of the partnership.

g) Receive a part of the remaining assets in proportion to their capital contribution when the company is liquidated;

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

2. Limited partners are obliged to:

a) Be responsible for all liabilities and other obligations of the partnership within the capital contribution.

b) Prevent from managing the partnership or carrying out business activities on behalf of the partnership;

c) Comply with the company charter, decisions of the partners' council.

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

CHAPTER VI

SOLE PROPRIETORSHIP

Article 141. Sole proprietorship

1. A sole proprietorship is an enterprise owned by an individual who is liable for all debts of the enterprise with his entire property.
2. Sole proprietorship is not permitted to issue securities.
3. One individual is only permitted to establish one sole proprietorship.

Article 142. Investment capital of the proprietor

1. Investment capital of the sole proprietorship will be declared and registered by the sole proprietor. The sole proprietor is obliged to register exactly the total amount of investment capital, in which capital made in form of Vietnamese currency, freely convertible foreign currency, gold, and other assets must be clearly defined; with regard to other assets, types, quantity and remained value of them are also required to define clearly.
2. All investment and assets, including loan and leasing property that used for business operation of the sole proprietorship must be fully and clearly reflected in accounting books and the financial statement of the sole proprietorship.
3. During the course of business, the sole proprietor is entitled to increase or reduce investment capital. Any increase or reduction in the investment capital must be reflected in the accounting books. In case, reduction in the investment capital is led to making the investment capital lower than that is already registered, the sole proprietor is permitted to do so after notifying the business registrar.

Article 143. Management of sole proprietorship

1. The sole proprietor is entitled to decide on any business operation of the sole proprietorship and distribution of profits after paying off taxes and other financial obligations as stipulated by the laws.
2. The sole proprietor himself manages and run business operation of the enterprise or may employ a person to do so. Employment of a director or general director must be notified the business registrar and the sole proprietor remain fully liable to all business operations of the sole proprietorship.

3. The sole proprietor will act as plaintiff, defendant or related person before arbitration or court in all disputes relating to the sole proprietorship.

4. The sole proprietor will act as the legal representative of the sole proprietorship.

Article 144. Leasing of sole proprietorship

The sole proprietor is entitled to lease his business, provided that the sole proprietor will inform in writing the business registrar and the tax agency about such business leasing which enclosed with a notarised leasing contract. During the time of leasing business, liability of the sole proprietor remains the same. Rights and obligations of the sole proprietor and the lessee will be stipulated in the leasing contract.

Article 145. Sale of sole proprietorship

1. The sole proprietor is entitled to sell his enterprise to another. No less than 15 days before the transferring date of the enterprise, the sole proprietor will notify in writing the Business Registrar of such fact. The notification must include name, head office of the sole proprietorship; name and address of the buyer; the total amount of outstanding debts of the sole proprietorship; name, address, amount of debts and deadline of payment of each creditor; labor contract and other contracts that are already concluded but not yet completed and methods of settlement of such contracts.

2. The sole proprietor is still liable to outstanding debts and other liabilities of the sole proprietorship after selling the sole proprietorship, unless otherwise agreed by the buyer, seller and the creditors.

3. The seller and the buyer are required to comply with the laws on labor.

4. The buyer of the sole proprietorship must re-register in pursuant to this law.

CHAPTER VII

CORPORATE GROUP

Article 146. Corporate group

1. Corporate group is a group of companies with long-term and close relationship in term of economic benefits, technology, market and other business services.

2. Corporate groups can be in form of:

- a) Holding company and subsidiary;
- b) Economic Conglomerate
- c) Other forms.

Article 147. Rights and duties of the holding company toward its subsidiaries

1. Depending on the legal form of a subsidiary, the holding company will exercise rights and obligations as a member, an owner or a shareholder of the subsidiary in pursuant to this law.

2. Unless otherwise stipulated in article 147(1), all contracts or transactions and other relationship between the holding company and its subsidiaries are required to conclude and implement fairly and independently as they are concluded between independent legal entities.

3. If the holding company interferes into the subsidiary beyond authority of the owner, member or shareholder, or forces the subsidiary to carry out unusual business activities or not-for-profit activities without proper compensation during the fiscal year, the holding company must be liable to any damage.

4. Managers who are in charge of making intervention or forcing the subsidiary to carry out business activities as stipulated article 147(3) will be jointly liable, together with the holding company, for any loss.

5. If the holding company does not compensate its subsidiary as stipulated in article 147(3), the creditors or shareholder or member owning at least 1% of the charter capital of the subsidiary is entitled, on behalf of themselves or the subsidiary, request the holding company to compensate any loss causing to that subsidiary.

6. In case when a subsidiary carries out business activities as stipulated in article 147(3) and brings profits to another subsidiary of the same holding company, such beneficiary and the holding company will jointly liable to return profits to the former.

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

1. In addition to reports and materials as stipulated in the laws, the holding company is required to prepare following reports:

a) The consolidated financial report of the corporate group as stipulated by the laws on accounting.

b) The annual report on business performance of the corporate group.

c) The general report on the management and operation of the corporate group.

2. Person who is in charge of preparing reports as stipulated in article 148(1) is not allowed to make or submit such reports if he does not receive fully financial statements from all subsidiaries.

3. Upon request from the legal representative of the holding company, the legal representatives of its subsidiaries has to provide information and materials necessary to the preparation of consolidated financial report and general report on business performance of the corporate group.

4. Manager of the holding company can make use of reports submitted by its subsidiaries in preparing consolidated financial report and general report on business performance of the corporate group if he does not know or doubt that there is inaccurate, fake or wrong information in the submitted reports.

5. If the manager fails to receive reports, materials and information from the subsidiaries even after applying all necessary measures within his power, that manager will prepare and submit consolidated financial report and general report on business performance of the corporate group. The consolidated report may include or exclude information from its subsidiaries and is enclosed with an explanation in order to avoid misunderstanding of the report.

6. All reports, materials and annual financial statements of the holding company and its subsidiaries and the consolidated financial reports of the corporate group must be retained at the head office of the holding company. Copies of all such reports and materials must be available in all branches of the holding company in the territory of Vietnam.

7. In addition to reports as stipulated in article 118 of this law, a subsidiary must prepare and submit a report on summary of all contracts or transactions that are concluded with the holding company.

Article 149. Economic Conglomerate

Economic Conglomerate is a large-size corporate group. Conditions, organizational management and operation of economic conglomerate will be stipulated in detailed by the Government.

CHAPTER VIII

REORGANISATION, DISSOLUTION, AND BANKRUPTCY OF ENTERPRISES

Article 150. Division of enterprises

1. Limited liability and shareholding companies can be divided into several enterprises of the same type.

2. Division of a limited liability or shareholding company will be conducted in complying with following procedures:

a) Division of a limited liability or shareholding company will be subject to decision of the Members' Council, the company owner, or the Shareholders' Meeting in conformity with this law and the company charter. Such a decision must contain contents such as: name, head office of the dividing enterprise; name of divided enterprises; principles and procedures for the division of assets of dividing enterprise; the plan on labor usage; the duration and procedures as to the conversion of capital contribution, shares and bonds of the dividing enterprise into divided enterprises; principles and procedures as to the settlement of liabilities of dividing enterprise; duration of the division. The decision on division of enterprise must be sent to all creditors and employees of the dividing enterprise within 15 days from the date on which it is adopted.

b) Members, the owner, or shareholders of the divided companies will approve the charter thereof, elect or appoint the chairman of the Members' Council, the Chairman of the company, the Board of Management, director or general director; and proceed with business registration as provided by this law. In this circumstance, the business registration file will be enclosed with the decision on division of enterprise as stipulated in article 150(2)(a).

3. The dividing enterprise ceases to exist as soon as the business registration of divided enterprises is completed. All divided enterprises will jointly be liable to the outstanding debts, labor contracts, and other liabilities of the dividing enterprise or negotiate with creditors, customer or employees as to specify one divided enterprise that will be liable to said liabilities.

Article 151. Separation of enterprise

1. Separation of a limited liability or shareholding company is the transfer of a portion of the assets of an existing company (hereinafter referred to as separating company) into one or more newly-established enterprises of the same type (hereinafter referred to as separated companies); a part of rights and liabilities of the separating company will be conveyed to the separated companies without ceasing existence of the separating company.

2. Separation of a company will be complying with provisions hereunder:

a) A decision on separation of company will be adopted by the Members' Council, the company owner, or the Shareholders' Meeting in conformity with this law and the company charter. Such decision must contain following contents: name and head office of the separating company; the name of the separated company(ies); plan on labor usage; assets, rights and obligations which will be transferred from the separating company to the separated company(ies); duration for conducting such separation. The decision on separation of company must be notified to creditors and employees of the separating company within 15 days from the date on which it is adopted.

b) The members, the owner, or the shareholders of the separating company will adopt the Charter thereof, elect or appoint the Chairman of the Members' Council, the Chairman of the company, the Board of Management, director or general director, and proceed with business registration as provided by this Law. In this circumstance, the business registration file will be enclosed with the decision on separation of company as stipulated article 151(2)(a).

3. The separating and the separated company(ies) will jointly be liable to the outstanding debts, labor contracts, and other liabilities of separating company, unless otherwise agreed by the separating company, separated company(ies), and creditors, customers and employees of separating company.

Article 152. Consolidation of Enterprises

1. Two or more companies of the same type (hereinafter referred to as consolidating companies) can be consolidated into a new company (hereinafter referred to as consolidated company) by way of transferring all assets, rights, liabilities, and interests into the consolidated company and the consolidating companies will cease to exist.

2. Consolidation of companies will be complying with provisions hereunder:

a) Consolidating companies will prepare the consolidation contract. The contract must contain contents such as: names and head offices of the consolidating companies; name and head office of the consolidated company; procedures and conditions for the consolidation; plans on labor usage; duration, procedures and conditions as to the transferal of assets; conversion of the capital contribution, shares and bonds of the consolidating companies into those of the consolidated company; duration for executing such consolidation; draft charter of the consolidated company;

b) Members, the owner, or shareholders of the consolidating companies will approve the consolidation contract, the company charter, elect or appoint the Chairman of the Members' Council, the Chairman of the company, the Board of Management, director or general director of the consolidated company; proceed with business registration as provided by this law. In this circumstance, the business registration file will be enclosed with the consolidation contract; the consolidation contract must be sent to all creditors and notified to employees within 15 days from the date on which it is adopted;

3. If the market share of the consolidated company will be of from 30% to 50% in concerned market as a result of the consolidation of companies, the legal representative of the consolidating companies must report to the competition controlling agency prior the consolidation, unless otherwise provided by the law on competition.

Consolidation that is leaded to creation of a company holding a market share of 50% in related market is strictly prohibited, unless otherwise provided by the law on competition.

4. The consolidating companies will cease to exist as soon as the business registration of the consolidated company is completed. The consolidated company will inherit all rights and interests as well as be liable for the outstanding debts, labor contracts, and other liabilities of consolidating companies; unless otherwise agreed by consolidating companies.

Article 153. Merger of enterprises

1. One or more companies of the same type (hereinafter referred to as merging company(ies)] can be merged into another existing company (hereinafter referred to as merged company) by means of transferring all assets, rights, liabilities, and interests into the merged company and the merging company(ies) will cease to exist.

2. Merger of companies will be complying with provisions hereunder:

a) Related companies prepare the merger contract and the draft charter of the merged company. The contract must contain contents such as: name and head office of the merged company; name and head office of the merging company(ies); procedures and conditions for the merger; plans on labor usage; duration, procedures and conditions as to the transfer of assets and conversion of the capital contribution, shares and bonds of the merging company(ies) into those of the merged company; and duration for such a merger;

b) Members, the owner, or shareholders of related companies will approve the merger contract, the company charter of the merged company; proceed with business registration as provided by this law. In this circumstance, the business registration file will be enclosed with the merger contract. The merger contract must be sent to all creditors and notified to employees within 15 days from the date on which it is adopted.

c) The merging company(ies) will cease to exist as soon as the business registration of the merged company is completed. The merged company will inherit all rights and interests as well as be liable for the outstanding debts, labor contracts, and other liabilities of the merging company(ies).

3. If the market share of the merged company will be of from 30% to 50% in concerned market as a result of the merger of companies, the legal representative of the merging company(ies) must report to the competition controlling agency prior the merge, unless otherwise provided by the law on competition.

Merger that is led to creation of a company holding a market share of more than 50% in related market is strictly prohibited, unless otherwise provided by the law on competition.

Article 154. Transformation of enterprises

A limited liability company can be transformed into a shareholding company or vice versa. The transformation of a limited liability company or a shareholding company (hereinafter referred to as transforming company) into a shareholding company or a limited liability company (hereinafter referred to as transformed company) will be complying with provisions hereunder:

1. The Members' Council, the company Owner, or the Shareholders' Meeting will approve a decision on transformation and the charter of the transformed company. The decision on transformation must contain contents such as: name and head office of the transforming company; name and head office of the transformed

company; duration and conditions as to the transfer of assets and conversion of capital contribution, shares, and bonds of the transforming company into those of the transformed company; plans on labor usage; duration for transformation.

2. The decision on transformation must be sent to all creditors and notified to employees within 15 days from the date on which it is adopted.

3. Business registration of the transformed company will be complying with provisions of this law. In this circumstance, the business registration file will be enclosed with the decision on transformation.

The transforming company will cease to exist as soon as the business registration of the transformed company is completed. The transformed company will inherit rights and interests as well as be liable for the outstanding debts, labor contracts, and other liabilities of the transforming company.

Article 155. Transformation of the sole member limited liability company

1. If the owner of a sole member limited liability company transfers of a part of the charter capital to another organization and/or individual, such owner and the transferees are obligated to register change in the number of members of the company with the Business Registrar within 15 days from the date of transferring capital. As soon as registration of change of the company is completed, the company will be managed and operated in compliance with provisions as to limited liability company with more than one member.

2. If the owner of a sole member limited liability company transfer a whole of the charter capital to another individual, the transferee is obligated to register change in the company owner with the business registrar within 15 days from the date on which transfer of capital is completed and the company will be managed and operated in compliance with provisions as to the sole member limited liability company whose owner is an individual.

Article 156. Temporary suspension of business

1. Enterprises are entitled to suspend temporarily their business after sending a written notification to the business registrar and tax agency about the date and duration of their business suspension at least 15 days before the date on which business is suspended or resumed.

2. The Business Registrar and the authorised state agency are allowed to force the enterprise to suspend business activities if it is founded that those the enterprise does not satisfy conditions as applicable to those business activities.

3. During the period of business suspension, the enterprise is obligated to pay off taxes, debts and implement contracts that are concluded with consumers and employees, unless otherwise agreed by the company and the creditors, consumers and employees.

Article 157. Circumstances and conditions for dissolution of enterprises

1. The enterprise will be dissolved in the following cases:

a) End of the operation duration as stated in the company charter.

b) In pursuant to a decision is made by the sole proprietor, all general partners, or the Members' Council, the company owner or the Shareholders' Meeting.

c) Minimum number of members of the company is lower than that required by this law for six consecutive months.

d) Revocation of the certificate of business registration.

2. The enterprise is allowed to dissolve only after paying off all debts and other liabilities.

Article 158. Dissolution procedure

Dissolution of enterprises will complying with provisions hereunder:

1. Adoption of a decision on dissolution. The decision must contain following contents:

a) Name and head office of the enterprise;

b) Reasons for such dissolution;

c) Duration and procedures for settlement of contracts and payment of debts; payment of debts and settlement of contracts must be completed no latter than 6 months from the date on which the decision on dissolution is adopted;

d) Methods for handling obligations raised from labor contracts;

e) Name and signature of the legal representative of the enterprise.

2. Sole proprietor, the Members' Council or the company owner or the Board of Management will be directly in charge of the liquidation of assets of the enterprise, unless otherwise stipulated in the company charter.

3. The decision on dissolution of the enterprise must be sent to the business registrar, creditors, people with related rights, interests, and obligations, employees along with displaying it at the head office of the enterprise, within 7 days from the date on which it is adopted.

In addition, the decision will be published in three consecutive issues of a printed or electronic newspaper if so demanded by the laws.

The decision on dissolution and method for settlement of debts will be notified to creditors. The notification on method for settlement of debts must contain: name and address of the creditors; the amount of debts; time-limit, place and method applicable to payment of such debts; procedures and duration for making complaints.

4. The payment of debts will be complying with priorities hereunder:

a) Outstanding salaries, allowance, social insurance as stipulated by the law and other benefits of the employees as stipulated in the labor union agreement and labor contracts.

b) Outstanding taxes and other obligations

The remaining assets will belong to sole proprietor, members, shareholders or the company owner after paying off all kinds of debt.

5. The legal representative of the enterprise must submit a file related to the dissolution to the Business Registrar within 7 days from the date on which full payment of debts is made. The Business Registrar will remove the name of the enterprise from its business registration system within 7 days from the date of receiving the file.

6. Enterprises are obligated to carry out dissolution process within 6 months from the date on which their certificate of business registration is revoked. The dissolution process will be complying with provisions as stipulated in this article.

After the six months from the date on which the certificate of business registration is revoked, the business registrar does not receive the dissolution file from the related enterprise, that enterprise will be considered as dissolved and the business registrar can delete its name from the business registration system. In this case, the

legal representative, members of the limited liability company, the owner of the sole member limited liability company, members of the Board of Management of the shareholding company and all general partners of partnership will jointly be liable to outstanding debts.

Article 159. Activities prohibited in relation to dissolution of enterprises

As soon as the decision on dissolution of the enterprise is made, that enterprise and its managers are strictly prohibited from conducting activities as follows:

1. To hire or give away assets
2. To remove or to reduce the right for claiming debts
3. To convert non-guarantee debts to debts that are guaranteed by assets of the enterprise;
4. To engage in new contracts, except those necessary to the dissolution of the enterprise;
5. To mortgage, take as collateral, donate or lease assets
6. To terminate the execution of existing contracts
7. To mobilize capital in any form.

Article 160. Bankruptcy

The bankruptcy of an enterprise will be subjected to the laws on bankruptcy.

CHAPTER IX

STATE MANAGEMENT OVER ENTERPRISES

Article 161. Contents of state management over enterprises

1. To issue, disseminate and enforce the laws on enterprises and related regulations.
2. To be in charge of exercising the business registration; guiding the business registration in ensuring implementation of strategies, master plans and plans on social-economical development.

3. To organize and provide trainings in order to enhance professional skills and business ethics of the enterprises' managers as well as political quality, morality and professional behavior of the state officials; and provide trainings on building up a force of skilful workers.

4. To provide incentive policies for enterprises in compliance with orientation and objectives of strategies, master plans and social-economical development plans.

5. To supervise and inspect business activities of the enterprises; handling violations of law committed by enterprises and related organizations and individuals in pursuant to the laws.

Article 162. Responsibilities of the state over the enterprises

1. The Government will be in charge of unifying state management over enterprises, appointing an agency which will be responsible for the Government in coordinating other ministries, agencies and exercising state management over enterprises.

2. Ministries and ministerial agencies will be responsible for the Government in exercising state management over enterprises within their assigned duties; their responsibilities will be:

a) Periodically or at the request of enterprises and business associations, review and evaluate the business conditions and recommend the removal of unnecessary business conditions; making changes to inappropriate business conditions; ask the Government for the issuance of new business conditions necessary to the execution of assigned duties;

b) Provide guidance on the implementation of the laws on business conditions; supervise and inspect the conformity to business conditions as well as handle violations thereof;

c) Communicate and disseminate the laws and regulations.

d) Be in charge of managing the business activities subject to business conditions; inspect, control and deal with the pollution and protection of environment; ensure food safety and labour hygiene;

e) Develop the Vietnamese standard system, quality standards for goods and services; inspect, control and deal with violation of the quality standard for goods and services.

f) Other rights and responsibilities as stipulated by the laws.

3. The provincial people's Committee will be in charge of unifying state management over enterprises within the locality; its responsibilities will be:

a) Direct departments and other related agencies that belong to the district people's committees to provide information on enterprises; be responsible to remove difficulties and constraints in the investment as well as to facilitate development of enterprises; inspect and examine enterprises in according to the laws; deal with violations;

b) Be in charge of organizing the business registration and supervising conformity of enterprises and households to the registered contents of business registration; deal with the administrative violations of this law and other regulations.

c) Direct departments and other related agencies that belong to the district people's committees to implement laws and legal regulations on taxes and business conditions; directly handle or recommend the higher authorities to deal with violations.

d) Be in charge of organizing the business registrar and decide on the personnel for the business registrar at the provincial level; direct and provide guidelines to the district and commune people's committees in dealing with administrative violations in the business registration.

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

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

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

b) Set up and managing the system of enterprise information; providing information to state bodies, organizations and individuals upon their request i pursuant to the laws.

c) Request the enterprises to make report on their business performance if it is necessary for the enforcement of this law; supervise the enterprises in relation to requirement of reporting.

d) Inspect or requesting competent state bodies to inspect enterprises in relation to their conformity to registered contents of the business registration.

e) Handle violations of provisions on business registration; revoke the certificate of business registration and ask related enterprises to proceed the dissolution process in pursuant to this law.

f) Be liable to any violation in the process of business registration.

g) Other rights and responsibilities as stipulated in this law and related regulations.

2. Organizational structure of the business registrar will be stipulated in more details by the Government.

Article 164. Inspection and examination of the enterprises

Inspection and examination of the enterprises will be complying with provisions of the law.

Article 165. Dealing with violations

1. Depending on nature and extent of the breach, person who commits such a breach will be subjected to a discipline, administrative punishment or criminal prosecution in accordance with the laws. The offender will be liable to and indemnify any damage causing to the enterprise, owner, members, shareholders, creditors or other persons in accordance with the laws.

2. The certificate of business registration will be revoked and name of related enterprise will be deleted from the business registration system in following cases:

a) The file for business registration contains fake information;

b) Enterprise is established by persons who are prohibited from doing so as stipulated in article 13(2) of this law;

c) The enterprise does not apply for the tax code for more than one year from the issuing date of the certificate of business registration;

d) The enterprise does not carry out any activity in the registered head office for more than six consecutive months from the issuing date of the certificate of business registration.

e) The enterprise does not file any report with the business registrar for more than two consecutive years.

f) The enterprise has suspended its business activities for more than one year without notifying the business registrar;

g) The enterprise does not submit reports as stipulated in article 163(1)(c) of this law to the business registrar within three months from the date of receiving a written request made by the business registrar;

h) The enterprise carries out business activities that are strictly prohibited in the laws.

CHAPTER X

ENFORCEMENT PROVISIONS

Article 166. Conversion of the state owned companies

1. All state owned companies which are established under the Law on State Owned Enterprises 2003 must be converted into the Limited Liability Company or Shareholding Company as stipulated in this law in according to the annual plan on conversion of the state owned companies, but no latter than four years from the date on which this law comes into force.

The Government will stipulate procedure for conversion of the state owned companies.

2. The Law on State Owned Enterprises 2003 will be applicable in relation to matters that are not stipulated in this law during the time limit for conversion of the state owned companies.

Article 167. Enterprises for the purpose of security, defense

State owned enterprises that are established for the purpose of building security and defense or the combination of making benefit and building security and defense will be organized and managed in accordance with this Law and other specific regulations of the Government.

Article 168. Exercution of the rights of the capital owner who is the state in the enterprises

1. The State will exercises the rights of the owner of capital contributed to the enterprises in accordance with the following principles:

a) Exercise the rights as an investor.

b) Maintain and develop the state capital.

c) The function of an investor and that of administrative management must be clearly distinguished and defined.

d) Execution of the rights given to the capital owner and the freedom of doing business of the enterprises must be clearly distinguished; respect the rights of doing business of the enterprises.

e) The rights and obligations of the capital owner must be carried out unitedly and centrally.

2. Functions, duties and rights of the state agency which will exercise rights and obligation of the capital owner on behalf of the state (hereinafter referred to as the state representative agency); procedures to exercise the rights of the state capital owner; methods and criteria to evaluate the results and performance in maintaining and developing the state capital; mechanism for coordination and evaluation of the performance of the state representative agency; policy and measures as to reorganize, rearrange, reform and improve the effectiveness of the operations of the State owned enterprises will be exercised in pursuant to the laws.

3. The Government will submit to the National Assembly the annual reports on the business performance of the state owned capital, results in maintaining and developing value of the state owned capital and assets in the enterprises.

Article 169. Establishment of the state owned enterprise

State owned enterprises that are established after this law comes into force will be registered, organized and managed in accordance with provisions of this law and other related laws.

Article 170. Application of this law in relation to enterprises that are already existed

1. Limited liability companies, shareholding companies, sole proprietorships and partnerships which were already set up in accordance with the Enterprise Law dated 12 June 1999 are not required to file for business registration.

2. Enterprises with foreign owned capital that are established before the enactment of this law are entitled to opt to:

a) Apply for the business registration and re-organize the organizational management of the enterprise in according to this law. Application for the business

registration must be proceeded within 2 years from the date on which this law comes into force.

b) Not to apply for the business registration in according to this law; in this case the enterprise is only allowed to carry out business activities as stipulated in the Investment License and will be eligible to investment incentives in pursuant to regulations of the Government.

3. Enterprises with foreign owned capital, which committed to transfer all the invested assets to the Vietnamese Government after termination of operation will be transformed only if they are permitted by the competent state agency in pursuant to regulations of the Government.

4. Households that employ over 10 permanent employees or carry out business activities in more than one location are required to operate as an enterprise according to this Law.

Smaller-size households will register and operate in pursuant to regulations of the Government.

Article 171. Legal force

1. This Law will have legal force from 1 July 2006.

2. This Law will replace the Enterprises Law 1999; Law on State owned Enterprises 2003, unless otherwise stipulated in article 166(2) of this law; provisions on the organizational management and operation of the enterprise as stipulated in the Law on Foreign Investment 1996 and the Law on Amendment and Supplement of a number of articles of the Law on Foreign Investment 2000.

Article 172. Guidance of enforcement

The Government will stipulate in detailed and provide guidance as to enforcement of this law./.

This Law was approved on 29 November 2005 at the 8 Session by the 11th Legislature of the National Assembly of the Socialist Republic of Vietnam.