

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

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**CHARTER**

..... **CO., LTD**

We are of the following members:

No	Name of member	DOB of individual member	Nationality	No., date and place of ID or passport issuance of individual or Business License of Companies or Establishing Decision of other organizations		Permanent address of individual or head office address of organizations
				No.	Date and place of issuance	
1						
2						
3						

All agree and sign hereafter to establish a COMPANY LIMITED (hereinafter called Company) operating under Vietnamese Law and this Charter with the following chapters, articles and clauses:

## Chapter I

### GENERAL PROVISION

#### Article 1: Scope of responsibility

Every Company member is responsible for the Company debts and other asset obligations within the capital committed to contribute to Company.

#### Article 2: Company name

- Company name in Vietnamese: .....
- Company name in foreign language:
- Company name in short: .....

#### Article 3: Head office and address of branch and representative office

- Company head office: .....
- Company branch: .....
- Company representative office:

#### Article 4: Business industry, line

- Main business line: .....

#### Article 5: Operation term

1. Company operation term is 20 (twenty) years since being issued with Business License by the business registration authority.
2. Company can stop operation before the expiry or extend its operation time according to the decision of Members' Council or the law regulation.

#### Article 6: Legal representative

My name is ..... Female  
Date of birth: ..... Ethnic group: Kinh Nationality: Vietnamese  
ID No. .... issued on ..... by HCMC Police  
Permanent address: .....  
Current address: .....

Be Company Director and legal representative, with rights and responsibilities as regulated in this Charter.

## Chapter II

### CHARTER CAPITAL AND REGULATION ON CAPITAL TRANSFER

#### Article 7: Charter capital

Company charter capital: VND .....

In words: .....dong.

Including the following capital contributions:

No	Name of member contributing capital	CONTRIBUTED CAPITAL					Percentage of contributed capital (%)	Time of capital contribution
		Total	In which					
		VND	Foreign currency	Gold	Other asset			
1								
2								
3								
	Total							

Charter capital can be increased or reduced depending on the Company operation situation and the decision of Members' Council.

#### Article 8: Conducting capital contribution and issuing certificates of contributed capital

- Members shall contribute capitals in full amount and on time according to Article 7 of this Charter. If any member fails to contribute full amount or on time as committed, the non-contributed capital shall be considered his debt to Company; such member shall compensate arisen damages due to his not contribution in full amount and on time as committed.
- Company member shall transfer the ownership of the capital contribution asset to Company as follows:
  - Asset that has been registered of ownership or land use right value: the capital contributor shall proceed procedures to transfer the ownership of that asset or land use right to Company at relevant authority.
  - Asset that was not registered of ownership: the capital contribution shall be conducted upon the delivery and receipt of that asset with written confirmation.
  - Contributed capital that is not in VND, freely exchanged currencies, gold: only be considered as complete payment after the legal ownership of the asset for capital contribution has been transferred to Company.
- If any member does not contribute in full and on time as committed, the non-contributed capital shall be considered his debt to Company; such member shall be responsible for compensating the arisen damages for not contributing enough and on time as committed.

4. After final committed deadline, if there is any member who has not contributed enough committed amount, the non-contributed capital shall be treated as one of the followings:
  - a) One or some members agree(s) to contribute the non-contributed amount;
  - b) Mobilize someone else to contribute capital to Company;
  - c) The balance members contribute up the non-contributed amount based on their capital contribution percentage in the Company charter capital.
5. At the time when paying enough contributed capital, the member shall be issued with a certificate of contributed capital by Company.
6. If the certificate of contributed capital is lost, torn, burnt or destroyed in other forms, the member shall be re-issued such certificate by Company.

#### **Article 9: Member registration book**

1. Company shall establish a member registration book right after business registration. Member registration book has the contents as regulated in Article 40 of Enterprise Law.
2. Member registration book is kept at Company head office.

#### **Article 10: Purchase of capital contribution**

1. Member(s) is entitled to request Company to purchase his capital contribution if such member does not approve the decision of Members' Council on the following issues:
  - a) Revise and supplementation of Charter contents regarding the rights and responsibilities of members, Members' Council.
  - b) Company reorganization.
  - c) Other cases.
2. Request of capital contribution purchase shall be in writings and sent to Company within 15 (fifteen) days since the date of approving the above mentioned decisions.
3. Upon the request of member's capital contribution purchase, in case the price is not agreed upon, Company shall purchase the member's capital contribution based on the market price within 15 (fifteen) days since receiving the request.
4. The payment is only conducted if after paying up the purchased capital contribution, Company secures the full payment of debts and other asset responsibilities.

#### **Article 11: Transfer capital contribution**

Unless specified in Clause 6 Article 12 of this Charter, member(s) is entitled to transfer part or whole of his capital contribution to the other(s) on the following regulations:

1. Shall offer the capital contribution to the balance members in equivalent to the percentage of their capital contribution with the same conditions in Company;
2. Only be accepted to transfer his capital contribution to the person who is not a Company member if the balance Company members do not purchase or do not purchase the whole capital contribution within 30 (thirty) days since the offering date.



## **Article 12: Process capital contribution in other cases**

1. If a member is dead or declared of death by Court, the testament or legal inheritor of such member is Company member.
2. If a member is restricted or loses his civil act capacity, his rights and responsibilities in Company shall be conducted through his guardian.
3. Member's capital contribution is purchased by Company or transferred according to the regulation in Article 10 and Article 11 of this Charter in the following cases:
  - a) The inheritor does not want to become a Company member;
  - b) The individual who is given the capital contribution is not accepted to be a Company member by the Members' Council;
  - c) Member is a dissolved or bankrupted organization.
4. If a member is dead without inheritors or the inheritor refuses to receive inheritance or be dismissed of inheritance, the capital contribution shall be solved according to the regulations of civil law.
5. Member is entitled to give, make gift a part or whole of his capital contribution to other people.

If the person who is given it is of the same blood-relation up to the third generation, he is certainly a Company member; otherwise, he only becomes a Company member upon agreement of Members' Council.
6. Member is entitled to use his capital contribution to pay debts.

## **Article 13: Increase/Decrease charter capital**

1. Based on the decision of Members' Council, Company can increase its charter capital in the following forms:
  - a) Increase members' capital contribution;
  - b) Increase the charter capital in equivalent with the Company increased asset value;
  - c) Receive new member(s)'s capital contribution.
2. In case of increasing members' capital contribution, the additional contributed capital is divided in equivalent with the members' capital contribution percentage. Member(s) who objects to the decision upon increasing charter capital is accepted not to contribute more capital. In this case, the additional contributed capital is divided among the balance members based on their capital contribution percentage if the members do not have other agreement. In case of increasing charter capital by receiving new member(s)'s capital contribution, there shall be Company members' agreement.
3. Company only decreases its charter capital if right after reimbursing to the members, it still secures the full payment to debts and other asset responsibilities. Company charter capital can be decreased by:
  - a) Reimburse part of member(s)'s capital contribution based on his capital contribution percentage in Company charter capital after two years' continuous

business operation since the date of business registration; and Company still secures the full payment to debts and other asset responsibilities after reimbursing the member(s).

- b) Purchase the capital contribution according to Article 10 of this Charter;
- c) Adjust to reduce the charter capital in equivalent with the Company decrease asset value.

### **Chapter III**

#### **MANAGEMENT STRUCTURE, COMPANY OPERATION POLICY**

##### **Article 14: Structure of management organization**

Company management structure includes:

- Members' Council;
- Chairman Members' Council: Mrs. .... ;
- Director: Mrs. .... ;

##### **Article 15: Members' Council**

1. Members' Council consists of members, which is the highest decisive unit of Company. Members are the people that Company appoints to be authorized representatives to participate in Members' Council. Members' Council holds periodical meetings every four years.
2. Members' Council has the following rights and responsibilities:
  - a) Decide Company annual development strategy and business plan;
  - b) Decide to increase or decrease the charter capital; decide the point of time and method to mobilize more capital;
  - c) Decide of investment method and investment project whose value of more than 50% total asset value specified in the financial statement at the latest announcement of Company.
  - d) Decide of market developing, marketing and technology transfer; approve contracts of borrowing, lending, selling properties whose value equals or is higher than 50% the total asset value specified in the financial statement at the latest announcement of Company.
  - e) Appoint or dismiss the Chairman of Members' Council; decision of assigning, dismissing, removing, signing and terminating contracts with Director or General Director, Chief Accountant and other management staffs regulated in Company charter;
  - f) Decide the rates of salary, bonus and other benefits for the Chairman of Members' Council, Director or General Director, Chief Accountant and other management staffs regulated in Company Charter;
  - g) Approve annual financial report, usage projects and distribute profits or deal with Company loss project

- h) Decide Company management structure;
- i) Decide to establish subsidiaries, branches and representative offices;
- j) Revise and supplement Company charter;
- k) Decide reorganize Company;
- l) Decide dissolve or request Company bankruptcy;
- m) When necessary, the Members' Council can authorize a person out of Company to run Company (called Company Director) in a certain time, with relevant responsibility with the Members' Council.

#### **Article 16: Chairman of Members' Council**

1. The Members' Council appoints one member to be the Chairman. The Member Council Chairman can also be the Director or General Director of Company.
2. The Chairman of Members' Council has the following rights and privileges:
  - a) Prepare or organize the program preparation and action plan of Members' Council;
  - b) Prepare or organize the program preparation, content and materials for Members' Council meeting or achieving the Members' opinions;
  - c) Call and chair the Members' Council meeting or organize the achieving Members' opinions;
  - d) Supervise or organize the supervision of the decisions' performance of Members' Council;
  - e) Act on behalf of the Members' Council to sign decisions of the Members' Council
  - f) Other rights and responsibilities
3. The term of Members' Council Chairman is 5 years. The Chairman of Members' Council can be re-elected with no limited number of terms.
4. In case of absence, the Chairman of Members' Council authorizes another member in writings to perform the rights and responsibilities of the Chairman Members' Council. If there is no authorized member or the Chairman Members' Council cannot work, the balance member will appoint one of them to temporarily perform the rights and responsibilities of the Chairman Members' Council in the rule of more than 50%.

#### **Article 17: Director**

1. Company Director is the one to run Company daily activities; be responsible to the Members' Council for the performance of his/her rights and responsibilities;
2. Director has the following rights and responsibilities:
  - a) Organize the execution of Members' Council's decisions;
  - b) Decide matters relating to Company's daily business activities;
  - c) Organize the execution of business plan and Company's investment project;
  - d) Issue Company's internal management policy;

- e) Appoint, dismiss, remove management staffs in Company except for titles that are under the competence of Members' Council;
- f) Sign contracts on behalf of Company except for cases under the competence of Chairman Members' Council;
- g) Recommend methods of Company's structure and organization;
- h) Submit annual financial report to Members' Council;
- i) Recommend methods of using profits or business loss;
- j) Recruit employees;
- k) Other rights and responsibilities regulated in the labor contract that Director signs with Company according to the decision of Members' Council.

#### **Article 18: Remuneration, salary and bonus of the Council Members and Director**

- 1. Company is entitled to pay remuneration, salary, and bonus to the Council Members, Director or General Director and management staffs based on the business results and effectiveness.
- 2. The remuneration, salary and bonus of the Council members, Director or General Director and other management staffs are counted as business cost according to the law regulation regarding Company income tax and relevant law and shall be presented in a separate item in Company annual financial report.

#### **Article 19: Responsibilities of the Council members, Director**

- 1. Company Council members, Director or General Director have the following responsibilities:
  - a) Execute the assigned rights and mission honestly, tactfully and best to secure the maximum legal benefits of Company;
  - b) Be loyal with Company's benefits; do not use Company information, secrets or business opportunities; do not overuse titles, positions and Company properties for private profit or for the benefits of other organization or individuals;
  - c) Immediately, fully and accurately notice Company of the companies who and their relevant people who own or hold controlled shares or capital contribution. This notice is posted at Company head office and branches;
  - d) Perform other duties regulated by the law and Company Charter.
- 2. Company Director or General Director shall not increase salary and pay bonuses when Company is incapable of paying up due debts.

#### **Article 20: Call Members' Council meeting**

- 1. The Members' Council is called for meeting any time by the requirement of the Chairman Members' Council or Council Member(s) as regulated in Item b and c, Clause 1, Article 24 of this Charter. The Members' Council meeting shall be held at Company head office.



The Chairman Members' Council prepares or organizes the preparation of the program, materials' content, and calls for the Members' Council meeting. Member(s) could give written petition of the meeting program.

The Chairman Members' Council shall accept the petition and supplementation of the Members' Council meeting program if the petition with full regulated content is sent to Company head office in the latest 01 day before the date of Members' Council meeting; if it is submitted right before the meeting, it will be accepted upon the majority approval of the participated members.

2. Notice of the Members' Council meeting could be by invitation cards, through telephone, fax or telex or any other electronic media and directly to each Council member. The notice content shall specify the meeting time, venue and program.

The meeting program and materials shall be sent to Company member before the meeting. Materials used in the meeting regarding the decision of revising and implementation of Company Charter, approving Company development direction, approving the annual financial report, reorganizing or dissolving Company shall reach the Council member at least 02 (two) working days before the date of meeting. The duration for sending other materials is 02 (two) days.

3. If the Chairman Members' Council does not call for the Members' Council meeting upon the request of the member(s) according to Clause 1 of this Article, within 15 (fifteen) days since receiving the request, the member(s) call(s) for the Members' Council meeting; and be in the name of himself or Company to sue the Chairman of Members' Council for not executing his management responsibility that could cause damage to their legal benefits.
4. The request for Members' Council meeting according to Clause 3 of this Article shall be in writings.
5. If the request for Members' Council meeting does not have enough contents as regulated in Clause 4 of this Article, the Chairman Members' Council shall inform relevant member(s) in writings for acknowledgement within 07 (seven) working days since the date of receiving the request.

In other circumstances, the Chairman Members' Council shall call the Members' Council meeting within 15 (fifteen) days since receiving the request.

If the Chairman Members' Council does not call the Members' Council meeting according to the regulation, he shall be personally responsible to the law for the damages happening to Company and relevant member(s). In this case, the member who has requested for the Members' Council meeting is entitled to call it. Reasonable expense for the calling and conduction of the Members' Council meeting shall be reimbursed by Company.

#### **Article 21: Condition to conduct Members' Council meeting**

1. The condition to conduct Members' Council meeting is the participated members representing for at least 75% of the charter capital;
2. If the first meeting does not qualify the conduction condition as specified in Item 1 of this Article, the second meeting is summoned within 15 (fifteen) days since the

intended first meeting date. The second convened Members' Council meeting is conducted if the participated members represent for at least 51% of the charter capital;

3. If the second meeting does not qualify the conduction condition as specified in Item 2 of this Article, the third meeting is summoned within 10 (ten) working days since the intended second meeting date. In this case, the Members' Council meeting is carried out independent upon the participated members and the charter capital represented by the participated members.
4. The member or authorized representative can authorize another member in writings to attend the Members' Council meeting.

**Article 22: Decision of the Members' Council and forms of getting members' opinions to approve the decision**

1. The Members' Council approves its competent decisions in the form of voting in meetings and getting opinions in writings.

The following issues shall be approved by voting in the Members' Council meeting:

- a) Revise or supplement Company Charter;
  - b) Decide on Company development direction;
  - c) Appoint, dismiss Chairman of Members' Council; assign, dismiss or remove Director or General Director;
  - d) Approve annual financial statement;
  - e) Reorganize or dissolve Company.
2. The decision of Members' Council is approved in the meeting in the following cases:
    - a) The agreed votes represents for at least 65% of the total contribution capital of attended members.
    - b) The agreed votes represents for at least 75% of the total contribution capital of attended members for selling properties of more than 50% of the total asset value specified in Company's latest financial statement, revising or supplementing Company Charter, reorganizing or dissolving Company;
  3. The decision of Members' Council is approved by getting opinions in writings if the members representing for at least 75% of the charter capital agree;
  4. The competence and form of getting members' opinions in writings to approve the decision is conducted upon the following regulation:
    - a) The Chairman of Members' Council decides to get the Members' opinions in writings to approve the decision of his competent issues;
    - b) The Chairman of Members' Council is responsible for organizing the preparation, sending reports and submittals regarding the content to be decided on, decision drafts and opinion forms to the Council members;
    - c) The Chairman of Members' Council organizes the votes check, prepares reports and statistics of the votes check and the approved decision to the members within

7 (seven) working days since the end of the period when the members shall send their opinions to Company.

#### **Article 23: Minutes of Members' Council meeting**

1. All Members' Council meetings shall be recorded in Company minutes.
2. The minutes of Members' Council meeting shall be finished and approved right before the meeting ends.

#### **Article 24: Rights and responsibilities of members**

1. Rights of members:

a) Company members have the following rights:

- Attend Members' Council meetings, discuss, give petition and vote for issues in the competence of the Members' Council;
- Have the number of votes equivalent to the contributed capital;
- Check, review, look up, copy or reproduce member registration record, record books of transactions, accountant books, annual financial statements, minutes book of Members' Council meetings, documents and other materials of Company;
- Be shared with the profit in equivalence to the contributed capital after Company has paid up taxes and other financial duties according to the law regulation;
- Be shared with Company's balance asset in equivalence to the contributed capital when Company dissolves or bankrupts.
- Be prioritized to contribute more capital when Company increase its charter capital; be entitled to transfer whole or part of his contributed capital according to the Enterprise Law;
- Complain or sue the Director or General Director when he does not execute his responsibility and causes damages to the member's or company's benefit according to the law regulation;
- Decide his contributed capital by transferring, giving inheritance, making gifts according to the law regulation and Company Charter;
- Other rights;

b) Member(s) owning more than 25% of the charter capital, unless regulated in Item c Clause 1 of this Article, is entitled to request for calling Members' Council meeting to solve the competent issues.

c) If Company has one member owning more than 75% of the charter capital and Item b Clause 1 of this Article does not regulate another rate of less than 25%, the summoned minority members are certainly entitled to the rights as regulated in Item b Clause 1 of this Article.

2. Members have the following responsibilities:

- a) Contribute full committed capital on time and be responsible for the debts and other Company's asset obligations within the contributed capital to Company; shall not withdraw capitals out of Company in any forms unless regulated in Article 10, 11, 12 and 13 of this Charter.
- b) Conform to Company's Charter.
- c) Execute the decision of Members' Council.
- d) Implement other duties according to the Enterprise Law.
- e) Be personally responsible when using the name of Company to carry out the following activities:
  - Break the law;
  - Conduct business or other transaction not for Company's benefits and cause damages to the others;
  - Pay early debts upon the possible financial risks to Company.

**Article 25: Contracts and transactions shall be approved by Members' Council**

1. Contracts and transactions between Company and the following objects shall be approved by Members' Council:
  - a) Member, authorized representative of the member, Director or General Director, Company's legal representative;
  - b) People who are relevant to the ones regulated in Item a of this Clause;
  - c) Management staffs of the Mother Company; person who has competence to appoint management staffs of the Mother Company;
  - d) People who are relevant to the ones regulated in Item c of this Clause.

The Company's legal representative shall send the Council members and post in the head office and branches draft contracts or notice of the main content of the intended transactions. Members' Council decides the contract or transaction approval within 15 (fifteen) days since the posting day; in this case, the contract or transaction is approved if it is agreed by the members representing for at least 75% of the total capital that are entitled to vote. Members who are relevant to the contracts or transactions are not entitled to vote.

2. The contracts and transactions are invalidate and treated according to the law regulation upon signing incompliant to the regulation in Clause 1 of this Article. Company legal representative, relevant members and related people of the members shall compensate for arisen damages and return Company the benefits obtaining from the execution of such contracts and transactions.

**Article 26: Policy of dispute resolution**

1. Disputes between founding members shall first solved by negotiation and conciliation;
2. Failing that, the case will be brought to Court for resolution according to the Law regulation.



## **Chapter IV**

### **FINANCIAL ACCOUNTING DISTRIBUTING PROFIT**

#### **Article 27: Financial year**

1. Company financial year starts on the annual Calendar January 1<sup>st</sup> and ends on December 31<sup>st</sup>.
2. Company first financial year starts from the date of being granted Business License by the business registration authority to December 31<sup>st</sup> of that year.

#### **Article 28: General accounting**

1. Company accounting records are established in full and conform to the current law regulation.
2. At the end of each financial year, Company establishes a financial statement to submit the Members for review at least 3 (three) days before the annual general meeting.
3. Within 90 (ninety) days since the ending date of the financial year, Company financial statement is sent to the competent tax authority, business registration authority and statistics authority.

#### **Article 29: Distributing profit, establish funds and loss policy**

- After completing the tax and other financial obligations according to the law regulation, paying up (or reserving the full amount for) debts and other asset responsibilities on due, Company sets up the following funds:
  - o Reserve fund: 5%
  - o Bonus and Welfare fund: 2%
- Company shares the profit to members based on the capital contribution percentage.
- Loss policy: every member is responsible for the loss based on his capital contribution percentage to Company.

#### **Article 30: Withdraw returned capital contribution or shared profit**

In the case of returning part of the contributed capital due to the reduction of charter capital on the contrary to the regulation in Clause 3 Article 13 of this Charter or sharing profit to members incompliant to the regulation in Article 30 of this Charter, the members shall reimburse Company the amount or other asset that they have received or shall be co-responsible for Company debts and other asset duties until the members have returned enough money and other asset they have received in equivalence to the reduced capital or shared profit.

## **Chapter V**

### **ESTABLISHMENT, REORGANIZING, DISSOLUTION**

#### **Article 31: Establishment**

1. Company is established after this Charter has been approved by Company group of members and granted with Business License by the business registration authority.

2. All costs relating to Company establishment are recorded into Cost column of Company and amortized to the first financial year.

#### **Article 32: Dissolution and liquidation of Company assets**

1. Company is dissolved in the following cases:
  - a) Completion of operation term specified in Company Charter without extending decision;
  - b) Upon the decision of Members' Council;
  - c) Company no longer has enough members according to the minimum numbers of members according to the Enterprise Law within 6 (six) continuous months;
  - d) Business License is withdrawn.
2. Company is only accepted to dissolve upon securing to pay up debts and other asset responsibilities.

#### **Article 33: Reorganizing Company**

Company dividing, separating, uniting, merging, transferring upon the decision of Members' Council (if any) is conducted according to Article 150, 151, 152, 153, 154 of the Enterprise Law.

### **Chapter VI**

#### **EXECUTION PROVISION**

#### **Article 34: Charter's validation**

This Charter has validated since the date of granting Business License by business registration authority.

#### **Article 35: Forms of changing and supplementing Charter's provisions**

1. Issues relevant to Company operation that are not specified in this Charter shall be revised by the Enterprise Law and other relevant legal documents.
2. If this Charter contains any provision that is illegal or leads to illegal execution, such provision is unexecuted and considered of revise right at the nearest meeting of the Members' Council.
3. Wishing to revise and supplement the content of this Charter, the Members' Council shall have a meeting to approve the changed content. The form of meeting to approve the revised content follows the regulation in Article 23 of this Charter.

#### **Article 36: Final provision**

This Charter has been reviewed every chapter, every article and signed as agreement by the group of members.

This Charter consists of 6 (six) chapters 36 (thirty-six) articles; is prepared in 5 (five) copies of the equal value: 1 copy for the business registration authority, 1 copy recorded at Company office and 3 copies for each member.

Any reproduction shall be confirmed by signing by the Chairman Members' Council or Company Director.

*HCMC, .....*  
(Signatures of all Company members)

*FIRST MEMBER*

*(signature & seal)*

*SECOND MEMBER*

*(signature)*

*THIRD MEMBER*

*(signature)*

