

CORPORATE LAW ON JOINT STOCK COMPANIES: STUDY OF VIETNAMESE LAW AND SINGAPORE LAW

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Abstract: Corporate governance is the core issue of a business. An optimal governance model will help the business operate well and develop sustainably. To have a good governance model, in addition to a scientific organizational structure and strict and reasonable procedures, it is also necessary to have a leader who understands the market and the law. In addition to the above factors, the role of corporate law is also vital; this is considered the foundation supporting the formation and development process of enterprises in general and joint stock companies in particular. In this research, the author will present the most general theoretical issues on the corporate governance of joint stock companies and the provisions of Vietnamese corporate law on joint stock companies. At the same time, it can be compared with Singapore law on joint stock companies. From there, it will serve as a basis for recommendations to improve Vietnamese corporate law.

Keywords: enterprise, joint stock company, management by convenience, management by science.

1. Theory of corporate governance

According to Tong Hoang Ha, “*management "company is understood as a system of rules that ensures that the Company is well-defined, directed, and controlled effectively for the benefit of investors and those related to the Company.*”².

Corporate governance will play a role in creating principles and controls to guide business activities in the right direction, ensuring transparency and integrity, helping to connect the interests of capital contributors, directors, and professional departments, creating trust with investors and society, ensuring financial capacity and long-term

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²Tong Hoang Ha(2023), *Pháp luật Việt Nam về quản trị công ty trách nhiệm hữu hạn hiện nay*, Doctoral Thesis, Học viện khoa học xã hội, p.38

profits; contributing to reducing waste, risks, financial losses, and corruption. To do the above well, it is necessary to ensure exemplary implementation of the following issues: planning activities, organizing and arranging personnel activities, leadership and management activities, controlling operational processes, purchasing processes, sales processes, auditing, etc.

Corporate governance can be understood as the process of planning, organizing, operating, and controlling the operations of a business or organization to create value and achieve business goals. Implemented through a system of policies and rules to serve the management, operation, and control of relationships between many parties inside and outside the Company, not only within the joint stock company such as the General Meeting of Shareholders, Board of Directors, Chairman of the Board of Directors, Board of Supervisors, Director and specialized departments but also with interested parties outside the Company: State management agencies, business partners and the environment, community, society...

There are two main business management models: management by convenience and management by science. Management by convenience has a rather rudimentary mechanism, no transparent and objective procedures, and the division of tasks and powers is not scientific but comprehensive and emotional. Business owners tend to assign work to trusted people, so there is no apparent unity in the tasks and powers of subordinates. Sometimes, they also participate in the management of subordinates' employees; the business does not have a transparent working process but will mainly be verbal; working procedures are pretty simple, lacking a system; the balance of power is unclear due to the participation of wives (or husbands), children in management activities, so power is fragmented, leading to disagreement in decisions. This management mechanism mainly appears in small-scale, family-owned companies. When a business grows, the weaknesses in management gradually become apparent, so there is

an objective need to improve the business management process and methods. Therefore, the scientific management model appears³.

Scientific management is the optimal management method for businesses. With this method, all large and small activities of the Company, from providing pens to each employee to signing contracts and paying debts, have strict processes and procedures. All departments have clear duties and powers that are stipulated in writing. A department will manage each area of work, and the head is usually the head of the department, who is primarily responsible for allocating tasks to employees in the department. The scales of power at this time are not controlled by the wife (or husband) or children of the business owner but will be according to the Company's Charter and working regulations; these regulations also regulate the power of the business owner. From the scientific management mechanism, the business's operations are smoother and more effective, and the revenue and expenditure mechanism is more precise, thanks to which the revenue source also increases, contributing to the development of the business's increasingly stronger⁴.

2. Vietnamese Law on Joint Stock Companies

2.1 Concept

A joint stock company is an enterprise where the charter capital is divided into equal parts called shares. Shareholders can be organizations or individuals; the minimum number of shareholders is 03, and there is no limit to the maximum number. Shareholders are only responsible for the enterprise's debts and other financial obligations within the scope of the capital contributed to the enterprise. A joint stock company has legal status

³Nguyen Ngoc Bich and Nguyen Dinh Cung (2003), *Công ty vốn, quản lý và tranh chấp*, Nhà xuất bản tri thức, p.500.

⁴Nguyen Ngoc Bich and Nguyen Dinh Cung (2003), *Công ty vốn, quản lý và tranh chấp*, Nhà xuất bản tri thức, p.500.

from the date of issuance of the Certificate of Business Registration. A joint stock company can issue shares, bonds, and other types of securities⁵.

The charter capital of a joint stock company is the total par value of all types of shares sold. When registering to establish a business, the charter capital of a joint stock company is the total par value of all types of shares that have been registered to buy and recorded in the Company's Charter. Shares sold are shares entitled to be offered for sale and fully paid for by shareholders of the Company. When registering to establish a business, shares sold are the total number of shares of all types registered to buy. The shares entitled to be offered for sale of a joint stock company are the total number of shares of all types that the General Meeting of Shareholders decides to offer for sale to raise capital. The number of shares that are entitled to be offered for sale of a joint stock company when registering to establish a business is the total number of shares of all types that the Company will offer for sale to raise capital, including shares that have been registered to buy and shares that have not been registered to buy⁶.

2.2 Organizational structure

A joint stock company can organize management and operations according to the following two models⁷:

(1) General Meeting of Shareholders, Board of Directors, Supervisory Board, and Director or General Director. In case a joint stock company has less than 11 shareholders and the shareholders are organizations owning less than 50% of the total shares of the Company, it is not required to have a Supervisory Board;

(2) General Meeting of Shareholders, Board of Directors, and Director or General Director. In this case, at least 20% of the members of the Board of Directors must be independent members, and there must be an Audit Committee under the Board of Directors. The organizational structure, functions, and tasks of the Audit Committee are

⁵Article 111 Luật doanh nghiệp 2020.

⁶Article 112Luật doanh nghiệp 2020.

⁷Article 137 Luật doanh nghiệp 2020.

specified in the Company Charter or the operating regulations of the Audit Committee issued by the Board of Directors.

If the Company has only one legal representative, the Chairman of the Board of Directors or the Director or General Director is the Company's legal representative. In case the Charter does not have any provision, the Chairman of the Board of Directors is the Company's legal representative. If the Company has more than one legal representative, the Chairman of the Board of Directors and the Director or General Director are the Company's legal representatives⁸.

2.2.1 General Meeting of Shareholders

A shareholder is an individual or organization that owns at least one share of a joint stock company. Ordinary shareholders have the following rights: attend and speak at the General Meeting of Shareholders and exercise voting rights directly, through an authorized representative, or in other forms as prescribed by the Company Charter or the law. Each ordinary share has one vote. A founding shareholder is a shareholder who owns at least one common share and signs the list of founding shareholders of a joint stock company. The General Meeting of Shareholders, comprising all shareholders with voting rights, is the highest decision-making body of a joint stock company.

The General Meeting of Shareholders has the following rights and obligations: to approve the development orientation of the Company; to decide on the types of shares and the total number of shares of each type that are allowed to be offered for sale; to decide on the annual dividend rate for each type of shares; to elect, dismiss, or remove members of the Board of Directors and Supervisors; to decide on investment or sale of assets with a value of 35% or more of the total value of assets recorded in the Company's most recent financial report, unless the Company's Charter stipulates a different ratio or value; to decide on amendments and supplements to the Company's Charter; to approve annual financial reports; to decide on repurchasing more than 10% of the total number of

⁸Article 137 Luật doanh nghiệp 2020.

shares sold of each type; to consider and handle violations by members of the Board of Directors and Supervisors that cause damage to the Company and its shareholders; to decide on reorganization or dissolution of the Company; to decide on the budget or total remuneration, bonuses, and other benefits for the Board of Directors and Supervisors; to approve internal governance regulations; Regulations on the operation of the Board of Directors and the Board of Supervisors; approval of the list of independent auditing companies; decision on independent auditing companies to conduct inspections of the Company's operations, dismissal of independent auditors when deemed necessary; other rights and obligations as prescribed in the Company Charter...⁹

The General Meeting of Shareholders shall convene annually once a year. In addition to the annual meeting, the General Meeting of Shareholders may convene extraordinary meetings. The meeting location of the General Meeting of Shareholders shall be determined as where the chair attends the meeting and must be within Vietnam's territory. The General Meeting of Shareholders shall convene annually within 04 months from the end of the fiscal year. Unless otherwise provided in the Company Charter, the Board of Directors shall decide to extend the annual General Meeting of Shareholders if necessary, but not more than 06 months from the end of the fiscal year. The annual General Meeting of Shareholders shall discuss and approve the following issues: The Company's annual business plan; annual financial statements; reports of the Board of Directors on the management and performance of the Board of Directors and each member of the Board of Directors; reports of the Supervisory Board on the Company's business performance, performance of the Board of Directors, Director or General Director; Self-assessment report on the performance of the Board of Supervisors and Supervisors; dividend rate for each share of each type; other issues under the authority¹⁰.

The General Meeting of Shareholders shall pass resolutions within its competence by voting at the meeting or by obtaining written opinions. Unless otherwise provided by the Company Charter, resolutions of the General Meeting of Shareholders on the

⁹Article 138 Luật doanh nghiệp 2020.

¹⁰Article 139 Luật doanh nghiệp 2020.

following matters must be passed by voting at the General Meeting of Shareholders: Amendments and supplements to the contents of the Company Charter; Company development orientation; types of shares and total number of shares of each type; election, dismissal, removal of members of the Board of Directors and the Board of Supervisors; decision to invest or sell assets with a value of 35% or more of the total value of assets recorded in the Company's most recent financial statements, unless the Company Charter stipulates a different ratio or value; approval of annual financial statements; reorganization, dissolution of the Company¹¹.

Resolutions are passed when approved by shareholders holding more than 50% of the total votes of all shareholders attending the meeting; the specific ratio is stipulated in the Company Charter. Resolutions of the General Meeting of Shareholders must be notified to shareholders entitled to attend the General Meeting of Shareholders within 15 days from the date of approval; if the Company has a website, sending the resolution can be replaced by posting it on the Company's website¹².

Except for the following specific cases¹³:

(1) Resolutions on the following contents shall be passed if approved by shareholders representing 65% or more of the total number of votes of all shareholders attending the meeting; the specific ratio shall be stipulated in the Company Charter: Types of shares and total number of shares of each type; changes in business lines, occupations and fields; changes in the Company's management structure; investment projects or sale of assets with a value of 35% or more of the total value of assets recorded in the Company's most recent financial statements, unless the Company Charter stipulates a different ratio or value; reorganization or dissolution of the Company; other matters stipulated in the Company Charter.

¹¹Article 147 Luật doanh nghiệp 2020.

¹²Article 148 Luật doanh nghiệp 2020.

¹³Article 148 Luật doanh nghiệp 2020.

(2) Unless otherwise provided in the Company Charter, voting to elect members of the Board of Directors and the Board of Supervisors must be carried out by cumulative voting, whereby each shareholder has a total number of votes corresponding to the total number of shares owned multiplied by the number of elected members of the Board of Directors or the Board of Supervisors. Shareholders can accumulate all or part of their votes for one or several candidates. The elected members of the Board of Directors or the Board of Supervisors are determined by the number of votes from high to low, starting from the candidate with the highest number of votes until the number of members specified in the Company Charter is sufficient. In case there are 02 or more candidates with the same number of votes for the final member of the Board of Directors or the Board of Supervisors, a re-election will be conducted among the candidates with the same number of votes, or selection will be made according to the criteria specified in the election regulations or the Company Charter.

(3) In case of passing a resolution in the form of collecting written opinions, the resolution of the General Meeting of Shareholders shall be passed if it is approved by shareholders owning more than 50% of the total number of votes of all shareholders with voting rights; the specific ratio is stipulated in the Company Charter.

(4) A resolution of the General Meeting of Shareholders on the content that adversely changes the rights and obligations of shareholders owning preferred shares shall only be passed if it is approved by the number of preferred shareholders of the same type attending the meeting owning 75% or more of the total number of preferred shares of that type or by the number of preferred shareholders of the same type owning 75% or more of the total number of preferred shares of that type in the case of passing the resolution in the form of obtaining written opinions.

If the Company Charter does not provide otherwise, the authority and procedures for obtaining shareholders' opinions in writing to pass resolutions of the General Meeting of Shareholders shall be implemented according to the following provisions¹⁴:

The Board of Directors has the right to obtain written opinions of shareholders to pass resolutions of the General Meeting of Shareholders when deemed necessary for the benefit of the Company. Unless otherwise provided in the Company Charter, resolutions of the General Meeting of Shareholders on the following issues must be passed by voting at the General Meeting of Shareholders: amendments and supplements to the contents of the Company Charter; company development orientation; types of shares and total number of shares of each type; election, dismissal, removal of members of the Board of Directors and the Board of Supervisors; decision to invest or sell assets with a value of 35% or more of the total value of assets recorded in the Company's most recent financial report, unless otherwise provided in the Company Charter; approval of annual financial reports; reorganization and dissolution of the Company.

Shareholders may send their completed ballots to the Company by mail, fax, or email. The Board of Directors shall organize the vote counting and prepare a vote counting record under the witness and supervision of the Board of Supervisors or of shareholders who do not hold management positions in the Company. Members of the Board of Directors, vote counters, and vote counting supervisors shall be jointly responsible for the truthfulness and accuracy of the vote counting record and shall be jointly responsible for any damages arising from decisions passed due to dishonest or inaccurate vote counting. The vote-counting record and resolutions shall be sent to shareholders within 15 days from the date of completion of the vote-counting. If the Company has a website, the sending of the vote counting record and resolutions may be replaced by posting them on the Company's website. The completed ballots, vote counting records, passed resolutions, and related documents attached to the ballots shall be kept at the Company's head office. Resolutions passed through written shareholder

¹⁴Article 149 Luật doanh nghiệp 2020.

voting have the same value as resolutions passed at the General Meeting of Shareholders¹⁵.

The resolution of the General Meeting of Shareholders shall be effective from the date of its approval or the effective date stated in the resolution. A resolution of the General Meeting of Shareholders approved by 100% of the total number of voting shares shall be legal and practical even if the order and procedures for convening the meeting and approving the resolution violate the provisions of the Law on Enterprises and the Company Charter. In case a shareholder or group of shareholders requests the Court or Arbitration to annul the resolution of the General Meeting of Shareholders, the resolution shall remain effective until the decision of the Court or Arbitration to annul the resolution takes effect, except in cases where temporary emergency measures are applied according to the decision of a competent authority¹⁶.

2.2.2 Board of Directors

The Board of Directors is the Company's management body, with full authority to decide and exercise the Company's rights and obligations on behalf of the Company, except for the rights and obligations under the authority of the General Meeting of Shareholders¹⁷.

The Board of Directors has from 03 to 11 members. The company charter stipulates explicitly the number of members of the Board of Directors. The term of office of a member of the Board of Directors shall not exceed 05 years and may be re-elected for unlimited terms. An individual may only be elected as an independent member of the Board of Directors of a company for no more than 02 consecutive terms. If all members of the Board of Directors end their terms simultaneously, such members shall continue to be members of the Board of Directors until a new member is elected to replace them and take over the work unless otherwise provided in the company charter. The company

¹⁵Article 149 Luật doanh nghiệp 2020.

¹⁶Article 152Luật doanh nghiệp 2020.

¹⁷Article 153 Luật doanh nghiệp 2020.

charter specifically stipulates the number, rights, obligations, organization, and coordination of activities of independent members of the Board of Directors¹⁸.

Independent members of the Board of Directors must meet the following standards and conditions as prescribed: (1) Not being a person currently working for the Company, parent company or subsidiary of the Company; not being a person who has worked for the Company, parent company or subsidiary of the Company for at least the previous 3 consecutive years; (2) Not being a person receiving salary or remuneration from the Company, except for allowances that members of the Board of Directors are entitled to as prescribed ; (3) Not being a person whose wife or husband, biological father, adoptive father, biological mother, adoptive mother, biological child, adopted child, biological brother, biological sister, biological sibling is a major shareholder of the Company; is a manager of the Company or subsidiary of the Company; (4) Not being a person who directly or indirectly owns at least 01% of the total number of voting shares of the Company; (5) Not a person who has been a member of the Board of Directors or Supervisory Board of the Company for at least the previous 5 consecutive years, except in the case of being appointed for 2 consecutive terms¹⁹.

An independent member of the Board of Directors must notify the Board of Directors that he/she no longer meets the above criteria and conditions and is no longer an independent member of the Board of Directors from the date of non-fulfillment of the criteria and conditions. The Board of Directors must notify the case where an independent member of the Board of Directors no longer meets the criteria and conditions at the nearest General Meeting of Shareholders or convene a General Meeting of Shareholders to elect additional or replace an independent member of the Board of Directors within 06 months from the date of receipt of the notice from the relevant independent member of the Board of Directors²⁰.

¹⁸Article 154Luật doanh nghiệp 2020.

¹⁹Article 155Luật doanh nghiệp 2020.

²⁰Article 155Luật doanh nghiệp 2020.

The Board of Directors has the following rights and obligations²¹:

(1) Decide on the Company's strategy, medium-term development plan and annual business plan;

(2) Propose the type of shares and the total number of shares of each type that can be offered for sale;

(3) Decision to sell unsold shares within the number of shares allowed to be offered for sale of each type; decision to raise additional capital in other forms;

(4) Decide on the selling price of the Company's shares and bonds;

(5) Decision to repurchase shares according to law;

(6) Decide on investment plans and investment projects within the authority and limits prescribed by law;

(7) Decide on market development, marketing, and technology solutions;

(8) Approve purchase, sale, loan, lending contracts, and other contracts and transactions with a value of 35% or more of the total asset value recorded in the Company's most recent financial report, except in cases where the Company's Charter stipulates a different ratio or value and the contract or transaction falls under the decision-making authority of the General Meeting of Shareholders;

(9) Elect, dismiss, remove the Chairman of the Board of Directors; appoint, dismiss, sign contracts, terminate contracts with the Director or General Director and other important managers as prescribed in the Company Charter; decide on salaries, remuneration, bonuses and other benefits of such managers; appoint authorized representatives to participate in the Board of Members or General Meeting of Shareholders at other companies, decide on remuneration and other benefits of such people;

²¹Article 153Luật doanh nghiệp 2020.

(10) Supervise and direct the Director or General Director and other managers in the daily business operations of the Company;

(11) Decide on the organizational structure and internal management regulations of the Company, decide on the establishment of subsidiaries, branches, representative offices, and capital contribution and purchase of shares of other enterprises;

(12) Approve the agenda and content of documents for the General Meeting of Shareholders, convene the General Meeting of Shareholders, or collect opinions for the General Meeting of Shareholders to pass resolutions;

(13) Submit annual financial reports to the General Meeting of Shareholders;

(14) Propose the level of dividends to be paid; decide on the time limit and procedures for paying dividends or handling losses arising during the business process;

(15) Proposing the reorganization and dissolution of the Company; requesting the bankruptcy of the Company;

(1 6) Other rights and obligations as the Company Charter prescribes.

The Board of Directors shall pass resolutions and decisions by voting at meetings, collecting written opinions, or other means as prescribed by the Company Charter. Each member of the Board of Directors shall have one vote. In case a resolution or decision passed by the Board of Directors is contrary to the provisions of law, resolutions of the General Meeting of Shareholders, or the Company Charter, causing damage to the Company, the members who agree to pass such resolution or decision shall be jointly and severally liable for such resolution or decision and shall compensate the Company for such damage; members who oppose the passage of the said resolution or decision shall be exempted from liability. In this case, the Company's shareholders shall have the right to request the Court to suspend or annul the implementation of the said resolution or decision²².

²²Article 153 Luật doanh nghiệp 2020.

Board of Directors meetings must be recorded in minutes and may be recorded, recorded, and stored in other electronic forms. Minutes must be prepared in Vietnamese and may be prepared in a foreign language. Minutes prepared in Vietnamese and foreign languages have the same legal effect. In case of differences in content between the minutes in Vietnamese and a foreign language, the content in the minutes in Vietnamese shall apply²³.

2.2.3 Chairman of the Board of Directors

The Chairman of the Board of Directors is elected, dismissed, or removed from among the members of the Board of Directors by the Board of Directors. The Chairman of the Board of Directors has the following rights and obligations: To prepare the program and plan of activities of the Board of Directors; To prepare the program, content, and documents for meetings; To convene, preside over, and chair meetings of the Board of Directors; To organize the adoption of resolutions and decisions of the Board of Directors; To supervise the implementation of resolutions and decisions of the Board of Directors; To chair the General Meeting of Shareholders; Other rights and obligations as prescribed in the Company's Charter. In case the Chairman of the Board of Directors is absent or unable to perform his/ her duties, he/she must authorize in writing another member to exercise the rights and obligations of the Chairman of the Board of Directors according to the principles prescribed in the Company's Charter. In case there is no authorized person, or the Chairman of the Board of Directors dies, goes missing, is detained, is serving a prison sentence, is serving an administrative penalty at a compulsory drug rehabilitation facility, a compulsory education facility, has escaped from his/her place of residence, has limited or lost civil capacity, has difficulty in cognition, controlling his/her behavior, is prohibited by the Court from holding a position, practicing a profession or doing specific work, the remaining members shall elect one of the members to hold the position of Chairman of the Board of Directors according to the

²³Article 158Luật doanh nghiệp 2020.

principle of a majority approval of the remaining members until a new decision of the Board of Directors is made²⁴.

2.2.4 Audit Committee

The Audit Committee is a professional body under the Board of Directors. The Audit Committee has at least 02 members. The Chairman of the Audit Committee must be an independent member of the Board of Directors. Other members of the Audit Committee must be non-executive members of the Board of Directors. The Audit Committee passes decisions by voting at meetings, collecting written opinions, or other forms as prescribed by the Company Charter or the Audit Committee's operating regulations. Each member of the Audit Committee has one vote. Unless the Company Charter or the Audit Committee's operating regulations stipulate a higher ratio, the decision of the Audit Committee is passed if approved by the majority of members attending the meeting; in case of equal votes, the final decision belongs to the side with the opinion of the Chairman of the Audit Committee²⁵.

The Audit Committee has the following rights and obligations: To supervise the integrity of the Company's financial statements and official announcements related to the Company's financial results; To review the internal control and risk management system; To review transactions with related parties under the approval authority of the Board of Directors or the General Meeting of Shareholders and to make recommendations on transactions requiring approval by the Board of Directors or the General Meeting of Shareholders; To supervise the internal audit department of the Company; To recommend an independent auditing company, remuneration levels and related terms in the contract with the auditing company for the Board of Directors to approve before submitting to the Annual General Meeting of Shareholders for approval; To monitor and evaluate the independence and objectivity of the auditing company and the effectiveness of the auditing process, especially in cases where the Company uses non-audit services of the

²⁴Article 156 Luật doanh nghiệp 2020.

²⁵Article 161 Luật doanh nghiệp 2020.

auditor; Supervision is to ensure that the Company complies with legal regulations, regulatory requirements and other internal regulations of the Company²⁶.

2.2.5 Board of Control

The Board of Supervisors has from 03 to 05 Supervisors. The term of office of a Supervisor shall not exceed 05 years and may be re-elected for an unlimited number of terms. The Board of Supervisors shall elect the Head of the Board of Supervisors from among the Supervisors; the election, dismissal, and removal shall be based on the majority principle. The rights and obligations of the Head of the Board of Supervisors shall be stipulated in the Company Charter. More than half of the Supervisors must be residents of Vietnam. The Head of the Board of Supervisors must have a university degree or higher in one of the following majors: economics, finance, accounting, auditing, law, business administration, or a major related to the business activities of the enterprise unless the Company Charter stipulates other higher standards²⁷.

The Board of Supervisors supervises the Board of Directors, the Director, or the General Director in the management and operation of the Company. Checks the reasonableness, legality, honesty, and prudence in the management and operation of business activities; the systematicity, consistency, and appropriateness of accounting, statistics, and financial reporting. Appraises the completeness, legality, and honesty of the Company's business situation report, annual and 6-month financial reports, and the Board of Directors management assessment report and submits the appraisal report at the Annual General Meeting of Shareholders. Review contracts and transactions with related parties under the approval authority of the Board of Directors or the General Meeting of Shareholders and make recommendations on contracts and transactions requiring the approval of the Board of Directors or the General Meeting of Shareholders. Review, inspect, and evaluate the effectiveness and efficiency of the Company's internal control, internal audit, risk management, and early warning systems. Review the Company's

²⁶Article 161Luật doanh nghiệp 2020.

²⁷Article 168Luật doanh nghiệp 2020.

accounting books, accounting records, and other documents, as well as the management and operation of the Company's activities, when deemed necessary or according to the resolution of the General Meeting of Shareholders or at the request of a shareholder or group of shareholders. Propose to the Board of Directors or the General Meeting of Shareholders measures to amend, supplement, and improve the organizational structure of management, supervision, and operation of the Company's business activities...²⁸

Comply with the law, the Company Charter, resolutions of the General Meeting of Shareholders, and professional ethics in exercising assigned rights and obligations. Exercise assigned rights and obligations honestly, carefully, and to the best of one's ability to ensure the maximum legitimate interests of the Company. Be loyal to the interests of the Company and shareholders; do not abuse position, title, and use information, secrets, business opportunities, or other assets of the Company for personal gain or to serve the interests of other organizations and individuals... Other obligations as prescribed in the Company Charter²⁹.

2.2.6 Director

The Board of Directors appoints a member of the Board of Directors or hires another person to be the Director or General Director. The Director or General Director is the person who runs the daily business of the Company, is supervised by the Board of Directors, and is responsible to the Board of Directors and before the law for the implementation of assigned rights and obligations. The term of office of the Director or General Director shall not exceed 05 years and may be reappointed for an unlimited number of terms³⁰.

The Director or General Director has the following rights and obligations³¹:

(1) Decide on matters related to the Company's daily business operations that are not under the authority of the Board of Directors;

²⁸Article 170Luật doanh nghiệp 2020.

²⁹Article 173Luật doanh nghiệp 2020.

³⁰Article 162 Luật doanh nghiệp 2020.

³¹Article 162 Luật doanh nghiệp 2020.

(2) Organize the implementation of resolutions and decisions of the Board of Directors;

(3) Organize the implementation of the Company's business plan and investment plan;

(4) Proposing organizational structure plan and internal management regulations of the Company;

(5) Appoint, dismiss, and remove management positions in the Company, except for positions under the authority of the Board of Directors;

(6) Decide on salaries and other benefits for employees in the Company, including managers under the appointment authority of the Director or General Director;

(7) Labor recruitment;

(8) Proposing plans to pay dividends or handle business losses ;

(9) Other rights and obligations as prescribed in the Company Charter and resolutions and decisions of the Board of Directors.

The Director or General Director must manage the daily business of the Company by the provisions of law, the Company Charter, the labor contract signed with the Company, and the resolutions and decisions of the Board of Directors. In case management, contrary to the provisions of this Clause, causes damage to the Company, the Director or General Director must be responsible before the law and must compensate the Company for the damage.

3. Singapore Corporation Law

Singapore's Companies Act divides companies into private companies and public companies³².

³²Companies Act 1967

Private Company: The maximum number of members is 50 members. No shares and bonds can be issued to the public, transfer restrictions, at least two directors, and one of the two directors must be a person with permanent residence in Singapore and must have at least one secretary who is a person with permanent residence in Singapore, including equity shares and preferred shares, share capital includes charter capital, issued capital and paid-up capital³³.

Public Company: No limit on the number of members, can issue securities to raise capital and receive public deposits, no limit on the transfer of shares, at least two directors, and one of the two directors must be a person with permanent residence in Singapore, must have at least one secretary who is a person with permanent residence in Singapore, including equity shares and preferred shares, share capital includes charter capital, issued capital and paid-up capital³⁴.

3. Conclusion

Through research on the regulations on joint stock company governance in Vietnam. At the same time, comparing with the regulations on joint stock companies in Singapore. We can know some significant differences in the regulations between the two countries. Thereby, there are some limitations in the law on joint stock companies in Vietnam that need to be improved to bring the best policies for businesses in general and joint stock companies in particular, contributing to socio-economic development.

³³Companies Act 1967

³⁴Companies Act 1967

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