

## DECISION

### ON FORMING THE PARENT COMPANY – VIETNAM ELECTRICITY GROUP

#### THE PRIME MINISTER

*Pursuant to the Law on Organization of the Government dated December 25, 2001; Pursuant to the Law on State Enterprises dated November 26, 2003; Pursuant to the Law on Enterprises dated November 29, 2005; Pursuant to Decree No. [153/2004/ND-CP](#) dated August 9, 2004 of the Government on the organization and management of the State corporations and the transformation of the State corporations and independent State companies into ones operating after the parent - subsidiary company model; Pursuant to Decision No. 147/2006/QĐ-TTg dated June 22, 2006 of the Prime Minister on approving the Scheme on experimentally forming the Vietnam Electricity Group. Considering the proposal of the Management Board of the Vietnam Electricity Corporation,*

#### DECIDES:

##### Article 1.

To form the parent company – Vietnam Electricity Group (hereinafter referred to as Vietnam Electricity) on the basis of reorganizing the management and execution agencies and a number of dependent accounting units of the Vietnam Electricity Corporation as follows:

1. The Vietnam Electricity Group shall be a State company with its owned legal status, seal and logo, charter on organization and operation; be allowed to open its account at the State Treasury and banks in accordance with the provisions of law; do business independently and have responsibility to inherit the powers, legitimate rights and obligations of the Vietnam Electricity Corporation.

2. The full name: **Vietnam Electricity Group**.

The international transaction name: **Vietnam Electricity**, the abbreviate name: **EVN**.

3. The head office: 18 Tran Nguyen Han, Hoan Kiem District, Hanoi city.

4. The charter capital of the Vietnam Electricity Group shall be the capital owned by the Vietnam Electricity Corporation at the time of January 1, 2006 after auditing.

5. Business lines of the Vietnam Electricity Group:

- Electricity industry: manufacturing, transmitting, distributing and doing business in electricity;
- Surveying, designing, construction consulting, assembling and maintaining electrical works, industrial and civil works, informatics technology and communications works;
- Manufacturing, repairing, testing electrical equipment and accessories, building components of concrete steel and supplying electrical materials and equipment;
- Exploring non-ore materials;

- Manufacturing construction materials, insulating materials and labor protecting equipment;
- Importing and exporting electricity, materials and equipment for the electrical industry;
- Water and land transportation in service of the trading and manufacturing activities;
- Doing business in hotels and tourism;
- Manufacturing consumer goods and beverage;
- Cooperating with foreign countries in training laborers;
- Trading in services of: public communications and Internet (domestic and international); pivot communications, broadcasting and advertising;
- Trading in services related to informatics technology (studying, developing, consulting and training) domestically and abroad;
- Manufacturing, importing and exporting, supplying informatics technology and communication materials and equipment;
- Trading in real estate and office leasing;
- Conducting financial investment and trading in capital domestically and abroad;
- Operating in finance, securities, banks and insurance;
- Training human resources to meet the development demand of electric, communications, finance and bank industries;
- Other services according to the provisions of law.

6. The operation and management apparatuses of the Vietnam Electricity Group:

a) The Management Board of the Vietnam Electricity Group shall be the direct representative of the State's owner in the Group, and be composed of 9 members (maximum), of which the chairman of the Management Board and the head of the Control Board shall be the full time members. Members of the Management Board shall be appointed by the Prime Minister at the proposal of the Minister Industry;

b) The members of the Control Board shall be appointed by the Management Board of the Vietnam Electricity Group, and be composed of 05 members (maximum), of which the head of the Control Board shall be the member of the Management Board;

c) The General Director of the Vietnam Electricity Group shall be appointed or signed contract by the Management Board of the Group after obtaining the approval of the Prime Minister;

d) The General Director shall be assisted by the deputy general directors and the chief accountant appointed by the Management Board of the Vietnam Electricity Group at the proposal of the General Director.

e) The Management Board and the General Director of the Vietnam Electricity Group shall be assisted by the Office and advising apparatuses.

7. The relationship between the parent company – Vietnam Electricity Group with the state owner, subsidiary and associated companies shall be according to the provisions of law and stipulations in the Regulation on organization and operation of the Vietnam Electricity Group.

The Government shall unify the management and organize the implementation of rights and obligations of the state owner for the Vietnam Electricity Group. The Prime Minister shall authorize the ministers, the heads of the ministerial-level agencies, the agencies attached to

the Government and the Management Board of the Vietnam Electricity Group to carry out a number of rights of the owner according to the provisions of law.

a) The Prime Minister shall decide:

- To approve the targets, strategies, long-term plans and business lines for the Vietnam Electricity Group at the proposals of the Management Board of the Vietnam Electricity Group and according to opinions of the Ministry of Industry and the Ministry of Planning and Investment;
- To approve the Charter, amendments and supplements of the Charter of the Vietnam Electricity Group at the proposal of the Management Board of the Vietnam Electricity Group and according to opinions of the ministries of Industry, Finance, Planning and Investment;
- To reorganize, dissolve and diversify the ownership of the Vietnam Electricity Group on the proposal of the Management Board of the Vietnam Electricity Group and according to opinions of the ministries of Industry, Finance, Planning and Investment;
- To appoint the Chairman and the members of the Management Board of the Vietnam Electricity Group at the proposals of the Minister of Industry and the appraisal of the Ministry of Security;
- To approve the appointment or contract signature with the General Director of the Vietnam Electricity Group at the proposals of the Management Board of the Vietnam Electricity Group, according to opinions of the Ministry of Industry and the appraisal of the Ministry of Security;
- To approve the project on new establishment of the enterprises, 100% of their charter capital invested by the Vietnam Electricity Group; the reorganization, ownership transformation, dissolvent and bankruptcy of the member enterprises of the Vietnam Electricity Group; the acceptance of new members of the Vietnam Electricity Group;
- To approve the investment projects of the Vietnam Electricity Group, the projects invested out of the Vietnam Electricity Group under the decision of the Prime Minister according to the provisions of law on investment;
- To decide on the capital investment to form the charter capital and adjust the charter capital during the operation process of the Vietnam Electricity Group according to the proposals of the Management Board of the Vietnam Electricity Group and according to opinions of the ministries of Industry, Finance, Planning and Investment.

b) The Ministry of Industry:

- To submit the decision on appointment of the Chairman and the members of the Management Board of the Vietnam Electricity Group to the Prime Minister;
- To deliver opinions to the Prime Minister when the Management Board of the Vietnam Electricity Group reports to the Prime Minister on:
  - + Targets, strategies, long-term plans and business lines of the Vietnam Electricity Group;
  - + Regulation, approval on the amendments and supplements of the Regulation of the Vietnam Electricity Group;
  - + Reorganization, dissolvent and ownership diversification of the Vietnam Electricity Group.
- To supervise the implementation of the investment projects of the Vietnam Electricity Group according to the provisions of law on investment.

c) The Ministry of Finance:

- To inspect and supervise the capital usage of the Vietnam Electricity Group; to assess the effects of business and management activities of the Vietnam Electricity Group;
- To approve the Regulation on financial management of the Vietnam Electricity Group at the proposal of the Management Board of the Vietnam Electricity Group;
- To conduct the capital investment to form the charter capital and adjust the charter capital during the operation process of the Vietnam Electricity Group after receiving the approval of the Prime Minister.

d) The Ministry of Home Affairs:

- To appraise and submit to the Prime Minister the appointment of the Chairman and the members of the Management Board of the Vietnam Electricity Group;
- To appraise and submit to the Prime Minister for approval for the Management Board of the Vietnam Electricity Group to appoint and sign contract with the General Director;
- To guide the order and procedures on appointment, dismissal, reward and punishment for the Chairman and the members of the Management Board of the Vietnam Electricity Group.

e) The Ministry of Planning and Investment:

To supervise the implementation of the targets and tasks of the Vietnam Electricity Group assigned by the Prime Minister.

f) The ministries, the ministerial-level agencies, the agencies attached to the Government shall carry out the State management functions in the related fields for the Vietnam Electricity Group.

g) The Management Board of the Vietnam Electricity Group shall be the direct State-owned representative in the Vietnam Electricity Group and the owner's representative for the companies, 100% of their charter capital invested by the Vietnam Electricity Group.

The Management Board of the Vietnam Electricity Group:

- To build and submit to the Prime Minister for approval projects on new establishment, reorganization, dissolvent and ownership transformation within the Vietnam Electricity Group and deploy the approved projects;
- To decide on the targets, strategies, long-term plans and business lines of the Vietnam Electricity Group after getting the approval of the Prime Minister and of the companies, 100% of their capital owned by the Vietnam Electricity Group;
- To approve the Regulation, approve the amendments and supplements of the Regulation of the member companies, 100% of their charter capital held by the Vietnam Electricity Group;
- To decide on use, investment and adjustment of capital and other sources invested by the Vietnam Electricity Group to the member companies, which meet the requirements on charter capital level when established or on the legal capital level for business lines according to the provisions of law.
- To decide to use capital of the Vietnam Electricity Group to establish member units, 100% of their charter capital owned by the Vietnam Electricity Group but the capital must not surpass the investment capital decided by the Management Board and must get the approval of the Prime Minister;
- To approve the capital contribution projects of the companies, 100% of their charter capital held by the Vietnam Electricity Group for the new establishment of the State joint stock

companies, the State one member limited companies, the State limited companies with 2 members onward outside the branches, fields and locations specified at Article 6 of the Law on State Enterprises;

- To decide or grant authority to the General Director to decide on the joint venture projects with foreign investors, and projects invested abroad of the member companies, 100% of their charter capital held by the Vietnam Electricity Group.

- To decide on appointment, dismissal, contract signature, contract termination, reward and punishment for General Director after getting the approval of the Prime Minister;

- To inspect and supervise the Chairman and members of the Management Board, the Chairman of the company, the General Director and directors of the member units in implementation of tasks and functions according to the Law on State Enterprise, Enterprise Law and Regulation of the Vietnam Electricity Group.

8. Organizational structure of the parent company - Vietnam Electricity Group at the time of establishment includes:

- The Hoa Binh Hydroelectric Company;

- Yaly Hydroelectric Company;

- Tri An Hydroelectric Company;

- The National Electric System Regulation Center;

- The Electric Information Center;

- The Electric Source Project Management Boards;

- The Management Board of Executive Center and Electric Telecoms Projects.

9. Companies with 100% of their charter capital held by the Vietnam Electricity Group:

a) One member limited companies:

- Can Tho Thermo-Electric One-member Company Limited;

- Phu My Thermo-Electric One-member Company Limited;

- Thu Duc Thermo-Electric One-member Company Limited;

- Hai Duong Electric One-member Company Limited;

- Ninh Binh Electric One-member Company Limited;

- Da Nang Electric One-member Company Limited;

b) Companies to be transformed into one-member limited companies in the 2006-2007 period:

- Hanoi Electric Company;

- Hochiminh Electric Company;

- Dong Nai Electric Company;

- Hai Phong Electric Company;

- EVN Telecoms;

c) Companies to be reorganized to one company:

- Electric Transmission Company No.1;

- Electric Transmission Company No.2;
- Electric Transmission Company No.3;
- Electric Transmission Company No.4;

10. Companies with over 50% of their capital held by the Vietnam Electricity Group:

a) Joint-stock companies:

- Vinh Son - Song Hinh Hydro-electric Joint Stock Company;
- Thac Ba Hydro-electric Joint Stock Company;
- Hai Phong Thermo-electric Joint Stock Company;
- Quang Ninh Thermo-electric Joint Stock Company;
- Electric Equipment Manufacturing Joint Stock Company;
- The Electro-mechanical Joint Stock Company;
- Central Electro-mechanical Joint Stock Company;
- Pha Lai Thermo-electric Joint Stock Company;
- Khanh Hoa Thermo-electric Joint Stock Company;

b) Companies to be equitized in the 2006-2007 period:

- Da Nhim – Ham Thuan – Da Mi Hydro-electric Company;
- Thac Mo Hydro-electric Company;
- Uong Bi Thermo-electric Company;
- Ninh Binh Thermo-electric Company;
- Ba Ria Thermo-electric Company;
- The Informatics Technology Center;
- Thu Duc Electro-mechanical Company;
- Electric Construction Consulting Company No. 1;
- Electric Construction Consulting Company No. 2;
- Electric Construction Consulting Company No. 3;
- Electric Construction Consulting Company No. 4;
- Electric Company No. 1;
- Electric Company No. 2;
- Electric Company No. 3;

11. Associated companies of the Vietnam Electricity Group:

- The Vietnam Electric Development Joint Stock Company;
- Se San 3A Electric Development and Investment Joint Stock Company;
- IQ Links Company Limited;
- An Binh Commercial Joint Stock Bank;
- The Central Hydro-electric Joint Stock Company;

- The Vietnam-Laos Electric Development and Investment Joint Stock Company.

12. Non-business units:

- The Energy Institute;
- The Electric University;
- The Electric College of Ho Chi Minh city;
- The Central Electric College;
- The Electric Vocational Training College;

13. The Management Board of the Vietnam Electricity Group shall supplement the subsidiary and associated companies according to the provisions of law.

## **Article 2.**

Organization of implementation

1. The Ministry of Industry shall submit the decision on appointment of the chairman and members of the Management Board of the Vietnam Electricity Group to the Prime Minister.

2. The Ministry of Finance shall approve the Financial Regulation the Vietnam Electricity Group at the proposal of the Group's Management Board.

3. The Management Board the Vietnam Electricity Group shall:

- Submit the Charter on operation and organization of the Vietnam Electricity Group to the Prime Minister for approval.
- Submit the appointment or contract signature with the General Director of the Vietnam Electricity Group to the Prime Minister for acceptance.
- Submit the Financial Management Regulation of the Vietnam Electricity Group to the Ministry of Finance.

## **Article 3.**

This Decision takes effect 15 days after its publication in CONG BAO.

The ministers of Industry; Finance; Planning and Investment; Labor, Invalids and Social Affairs, and Home Affairs; the heads of the concerned agencies; the Steering Committee for Enterprise Renewal and Development; and the Management Board of the Vietnam Electricity Corporation and the Management Board of the Vietnam Electricity Group shall have to implement this Decision.

**FOR THE PRIME MINISTER  
DEPUTY PRIME MINISTER**

**Nguyen Tan Dung**