

No.34126/18.04.2024

Submitted for consideration and approval in the EGMS meeting of 05/06 June 2024

## REPORT

### **on the approval of the establishment of a limited liability company, with sole shareholder SNTGN Transgaz SA, with the core business of hydrogen transmission**

#### SUMMARY

According to the Action Plan for the implementation of the National Hydrogen Strategy 2030, annex to the National Hydrogen Strategy, SNTGN Transgaz SA actively participates in the EHB (European Hydrogen Backbone) initiative in order to comply with the objectives agreed therein.

Thus, in order to achieve these objectives, the establishment of a company with the core business of hydrogen transmission is necessary.

#### PROPOSAL

Thus, according to **art. 15, point 4 (i) of the updated Articles of Incorporation of SNTGN TRANSGAZ SA**, we submit to the approval of the Extraordinary General Meeting of Shareholders the following:

1. Establishment of a limited liability company with the core business of hydrogen transmission, with SNTGN Transgaz SA as sole shareholder;
2. Mandating Mr. Ion Sterian, as Director General of SNTGN Transgaz SA to carry out all legal formalities necessary for the establishment of the limited liability company and to sign all documents related to those formalities, including the by-laws of the company to be established.

## Detailed content of the Report

SNTGN Transgaz SA is interested in the transmission infrastructure expansion and upgrading through the potential integration of hydrogen from renewable and low carbon sources into the natural gas transmission system. In order to make a gradual transition to a climate-neutral activity and strengthen resilience to climate change, Transgaz has concluded the Climate and Decarbonisation Strategy, taking into consideration the best practices and national and international climate change policies and regulations.

SNTGN Transgaz SA is responsible for connecting and adapting the natural gas transmission networks to the European Hydrogen Backbone. Within the regional cooperation in this field SNTGN Transgaz SA concluded in February 2024 a Memorandum of Understanding with transmission operators from South-East and Central European countries in order to evaluate the concept for the development of a hydrogen transmission corridor (named SEEHy Corridor).

At the same time, considering the provisions of the new Gas Regulation (currently being published) on the establishment of the European Network of Hydrogen Network Operators (ENNOH), according to which by 01.09.2024, the Hydrogen Transmission System Operators shall submit to the Commission and ACER the draft by-laws, list of members and draft rules of procedure, etc. of ENNOH, Transgaz shall participate, together with the other EU gas transmission system operators, in the activities required for the establishment of this organisation.

In view of the above and in order to comply with the above-mentioned deadlines, the establishment of a company with the core business of hydrogen transmission is needed.

The conditions for the establishment and operation of the new company are mainly as follows:

- The company's core business is: "Transmission by pipelines", NACE code 4950;
- The company is established for an indefinite period, with registered office in Bucharest;
- The subscribed and paid-up share capital, in cash, at the date of incorporation is 25,000 lei, divided into 2,500 shares, with a nominal value of 10 lei/share, belonging entirely to the sole shareholder;
- The company shall be managed by a Board of Administration consisting of 3 (three) members, which, after the establishment of the company, shall be selected according to the relevant legislation;

Please note that the source of financing of the initial share capital, to be paid in cash, is provided for in the approved Revenue and Expenditure Budget of SNTGN TRANSGAZ S.A. for 2024, under Chap. IX "*Investments expenses*" in Annex No. 1 and under Chap. II point 1 (a) "*Investments for the private property of the economic operator*" in Annex no. 4.

Annexes:

1. Proof of availability and reservation of company name.
2. Company's by-laws

**Petru Ion Văduva**  
**Chairman of the Board of Administration**



MINISTERUL JUSTIIEI



**OFICIUL NAIONAL AL REGISTRULUI COMERULUI**  
**Oficiul Registrului Comerului de pe lâng Tribunalul**  
**Bucureti**

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Website: www.onrc.ro; E-mail: orcb@b.onrc.ro; Cod de Identificare Fiscal : 14942091;

Form no.17

No.: 144268/10.04.2024

**PROOF**

**of corporate name availability and reservation**

Pursuant to Art.50 paragraph (6) of Law no.265/2022, on the trade register and for amending and supplementing other regulatory acts having an impact on the registration with the trade register, the availability of the company name **TRANSPORT ROMÂNIA HIDROGEN S.R.L. (HYDROGEN ROMANIA TRANSMISSION)** requested by **ION STERIAN**, as Director-General, by **LEAHU MIHAI LEONTIN**, was verified.

**The verification and reservation of the company name was carried out at the discretion and on the responsibility of the applicant.**

According to Article 51(2) of Law No. 265/2022, the registration with the trade register of a company by a person other than the holder of the trademark registered under Law No. 84/1998 on trademarks and geographical indications, republished, entails the liability of the applicant.

The reserved name does not confer rights within the meaning of Law no. 84/1998.

The reservation of the company's name has an administrative and preliminary nature, on the legality of the company's name to be decided by the Registrar of the Trade Register under Article 105 of Law no. 265/2022 upon the resolution of the application for registration with the Trade Register.

**The company's reservation is valid until 10.05.2024.**

*tefania Carmen CHI U*

*Director*

*Issue date: 10.04.2024 : 14:51:13*

**THE BY-LAWS OF**  
**THE COMPANY “TRANSPORT ROMÂNIA HIDROGEN S.R.L.”**  
**(HYDROGEN ROMANIA TRANSMISSION S.R.L.)**

S.N.T.G.N. TRANSGAZ S.A., Romanian nationality legal entity, headquartered in Medias, Piața C.I. Motaș no. 1, Sibiu county, registered with the Trade Register Office attached to Sibiu Court of Law under no. J32/301/2000, VAT no. RO 13068733, legally represented by Mr. Ion Sterian, Romanian citizen, born on 18.06.1959 residing in Brăila, no. 54, Călărașilor St., bl. 10, flat. 412, ID card series XR, no. 716552 issued by the Public Community Service of Personal Records Brăila, on 11.06.2021 PN 1590618090088 as Director-General according to Resolution no. 22/27.07.2021 of the Board of Administration.

***freely and of our own accord we have decided to incorporate a company in Romania under the following conditions:***

**Chapter I. LEGAL FORM, NAME, DURATION OF THE COMPANY, REGISTERED OFFICE**

Art. 1.1. Legal form:

The company is a sole shareholder limited liability company, a Romanian legal entity, operating according to the Romanian laws and this By-Laws.

The change of the legal form shall be made by decision of the sole shareholder, in compliance with the conditions and procedures provided for by the law.

The company shall be entitled to rights and obligations and shall be liable to third parties with its entire patrimony.

Art. 1.2. Name:

The undersigned establishes a company named Societatea Transport România Hidrogen S.R.L. (HYDROGEN ROMANIA TRANSMISSION S.R.L.) according to the proof of the company's corporate name availability no. 144268 dated 10.04.2024, issued by the Trade Register Office attached to Bucharest Court of Law.

All documents - invoices, offers, orders, price lists, prospectuses and other documents used for business purposes issued by the company shall state the name, legal form, registered office, registration number, sole registration code and share capital. Receipts issued by electronic cash registers which contain the elements provided for in the relevant legislation are exempted.

Such information will also be published on the company's website.

The change of the company's name shall be carried out based on the decision of the sole shareholder and only after a prior verification of the company's assets.

Art. 1.3. Duration:

The company is established for an indefinite duration.

Art. 1.4. Registered office:

1.4.1. The head office is in Bucharest, no. 55 Primăverii St., floor 5, sector 1.

1.4.2. At the discretion of the sole shareholder, the registered office may be moved to any place, in compliance with the requirements related to the form and publicity provided for by law.

1.4.3. The company shall be able to establish secondary offices at other addresses, in other localities of Romania and other states, based on the sole shareholder's decision, in compliance with the relevant legal provisions.

## **Chapter II. THE COMPANY'S CORE BUSINESS**

Art. 2.1. The company's core business is:

- The main field of activity is «Transmission through pipelines» and the NACE 495 group corresponds to it

Main activity:

- NACE 4950 class – Transmission through pipelines

Secondary activities:

- NACE code 4671 – Wholesale trade of solid, liquid and gaseous fuels and derived products
- NACE code 3511 – Power production
- NACE code 4221 – Construction works to utility projects for fluids
- NACE code 4321 – Power equipment works
- NACE code 3320 - Installation of machines and industrial equipment
- NACE code 5221 - Activities of ancillary services for land transport
- NACE code 7112 - Engineering activities and related technical consultancy
- NACE code 7120 - Technical testing and analysis activities
- NACE code 7219 - Research-development in other natural sciences and engineering
- NACE code 7490 - Other professional, scientific and technical activities n.e.c.

Art. 2.2. In carrying out its core business, the company shall pay the taxes and duties provided for by the applicable legislation. The company's core business may be modified, according to the decision of the sole shareholder.

## **CHAPTER III SHARE CAPITAL, SHARES**

Art. 3.1. The subscribed and paid-up share capital of the company is 25,000 lei, divided into 2,500 shares, with a nominal value of 10 lei per share, belonging entirely to the sole shareholder.

Art. 3.2. The share capital may be amended by decision of the sole shareholder, in compliance with the relevant legal rules.

Art. 3.3. The reduction of the share capital may be made only after two months have elapsed from the day on which the decision was published in the Official Gazette of Romania, Part IV. Any creditor may object within the period provided for by law.

Art. 3.4. (1) The share capital may be increased, based on the decision of the sole shareholder, by contribution in kind or in cash. If the share capital is increased by a contribution in kind, the sole shareholder shall have an expert's report carried out to value the movable or immovable property.

(2) The newly established shares shall be fully subscribed, free of all encumbrances.

Art. 3.5. The company's obligations are secured by the company's assets and may not be encumbered by debts or other personal obligations and are indivisible. The sole shareholder shall be liable up to the amount of the subscribed share capital.

Art. 3.6. (1) The partial or total transfer of shares to third parties may be made by decision of the sole shareholder.

(2) The transfer of shares shall be registered in the trade register and in the register of shareholders of the company.

(3) In order to be enforceable against the company and third parties, the deeds of assignment must be published in the Official Gazette of Romania, Part IV and entered in the trade register.

## **CHAPTER IV. SOLE SHAREHOLDER**

Art. 4.1. The sole shareholder shall have the following duties:

- a) to approve the annual financial statement and determine the distribution of the net profit,
- b) to set the overall debt limits of the companies;
- c) to appoint, dismiss and discharge the administrators and decide on the engagement of

- financial auditors;
- d) to amend the By-laws;
- e) any other powers conferred on the sole shareholder by the relevant legislation.

## **CHAPTER V. COMPANY ADMINISTRATION**

Art. 5.1. The administrators of the company will be selected and appointed by the sole shareholder in compliance with the relevant legal provisions. The term of office of the administrators is 4 years.

Art. 5.2. (1) The Board of Administration of Transport Romania Hidrogen SRL (Hydrogen Romania Transmission) is composed of 3 (three) members, one of which is appointed as Chairman of the Board of Administration.

(2) The first members of the Board of Administration are:

1. Leahu Mihai-Leontin, Romanian citizen, residing in Mediaş, str. Gorunului, nr. 6, jud. Sibiu, ID card series SB, no. 653390 issued by the Public Community Service of Personal Records Mediaş, on 02.04.2014, born on 09.10.1961 in Târnaveni, Mureş county, PIN 1611009267392;

2. Ghidiu Elisabeta, Romanian citizen, residing in Mediaş, Ion C Bratianu Street, no. 3, bl.3, sc.A, et1, ap.1, jud. Sibiu, ID card series SB, no. 821511 issued by the Public Community Service of Personal Records Mediaş, on 26.10.2017, born on 09.11.1965 in Bucşani, Dâmboviţa county, PIN 165110932223;

3. Rancu-Pătru Mirela, Romanian citizen, residing in Bucharest, Ţepeş Vodă Str., 130, sc. A, ap. B6, ID card series RK, no. 161946 issued by the Public Community Service of Personal Records Sector 2, on 29.05.2018, born on 16.01.1985 in the town Corabia, Olt county, PIN 2850116282205.

(3) The mandate of the first administrators is valid until the date of appointment of the new administrators, in accordance with the law, or until the date of termination of their mandate, in accordance with the legal provisions and these By-laws.

Art. 5.3. The appointed Board of Administration is in charge of carrying out all necessary and useful acts for the realization of the activity object of *Transport România Hidrogen SRL* and meets whenever necessary, but at least once every 3 months.

Art. 5.4. The powers of the administrators shall be exercised by them jointly and may be delegated, provided that these powers are not, by law, the exclusive competence of the administrators.

Art. 5.5. Organisation of the Board of Administration

5.5.1. The Board of Administration elects the Chairman of the Board of Administration from among its members. The mandate of the Chairman may be revoked at any time by the Board of Administration.

5.5.2. A person cannot be Chairman of the Board of Administration and director of the company at the same time.

5.5.3. During the period in which the Chairman of the Board of Administration is temporarily unable to perform his duties, the Board of Administration may appoint another administrator to act as Chairman.

5.5.4. The Board of Administration shall appoint a secretary who shall carry out secretarial work in connection with the work of the Board of Administration and support its activities.

5.5.5. The mandate of the administrator and of the chairman shall start to run from the date laid down in the appointment decision or, failing that, from the day following the decision appointing the person entrusted with exercising the mandate of administrator or, as the case may be, the mandate of chairman.

5.5.6. The mandate of the administrators shall terminate upon the expiry of their mandate, by revocation, by resignation, as well as for any other cause of termination provided for by law, by these by-laws or by the mandate contract.

5.5.7. Where the office of administrator falls vacant before the expiry of the mandate, the mandate of the new administrator shall be equal to the remaining mandate of his predecessor.

5.5.8. Where the Sole Shareholder decides to increase the number of members of the Board of Administration, the duration of the mandates of the first administrators appointed to the additional posts

shall be equal to the remaining duration of the mandates of the administrators that are still in force at the date of the decision to increase the number of members of the Board of Administration.

5.5.9. For the appointment of an administrator to be valid, the person appointed must expressly accept it, in a written declaration sent to the company, within a maximum of 5 days from the date of the appointment decision or from the date on which he/she became aware of the appointment decision.

5.5.10. Resignation from the mandate of administrator or chairman shall be notified in advance to the Board of Administrators, at least 30 days before the date envisaged for the vacancy of the post by resignation, under penalty of payment of damages.

5.5.11. The Board of Administration delegates the management of the company to one or more directors by appointing one of them as Director general.

5.5.12. The Board of Administration has the following basic powers which cannot be delegated to Directors:

- a) establishing the main directions of activity and development of the company;
- b) approving the management plan of the company;
- c) establishing the accounting policies and the financial control system and approving the financial planning;
- d) appointing and dismissing directors, including the Director General, and determining their remuneration;
- e) supervising the activities of the directors;
- f) preparing the annual report of the administration;
- g) implementation of the decisions of the sole shareholder;
- h) the filing of applications for the opening of insolvency and winding-up proceedings against the company, with the prior consent of the sole shareholder;
- i) drawing up rules for its own activities, those of its advisory committees and its directors;
- j) other powers which may not be delegated by law.

Art.5.6. The Chairman of the Board of Administration has the following duties:

- a) convene, set the agenda and chair the meetings of the Board of Administration;
- b) coordinate the work of the Board of Administration;
- c) ensure the proper functioning of the company's bodies;
- d) other duties provided for by law or by these By-laws.

Art.5.7 Convening the Board of Administration

5.7.1. The Board of Administration shall be convened by the Chairman at the reasoned request of at least two administrators or at the request of the Director-General. In the event of a request for the Board of Administration to be convened by the administrators or by the Director-General, the agenda of the meeting shall be set by the authors of the request, and the Chairman shall be obliged to comply with such a request.

5.7.2. (1) Meetings of the Board of Administration shall be held, as a rule, by an actual meeting of the directors at the registered office of the Company or at another location determined by notice.

(2) Meetings of the Board of Administration may also be held by teleconference or videoconference under the conditions established by decision of the Board of Administration.

5.7.3. The convening notice must state the place of the meeting, the address and date of the meeting, the starting time, the agenda and the arrangements for voting.

5.7.4. The convening notice, together with the materials relating to the items on the agenda, shall be sent to the administrators at least 5 days before the date set for the meeting of the Board of Administration.

5.7.5 The Board of Administration may adopt, in a meeting, decisions on matters not included in the agenda proposed in the convening notice only in exceptional cases, justified by the urgency of the situation and the interest of the company.

5.7.6. In exceptional cases, justified by the urgency of the situation and the interests of the company, the



Board of Administration may take decisions by unanimous written vote of the administrators, without a meeting.

Art.5.8. Conduct of meetings of the Board of Administration

5.8.1. Meetings of the Board of administration will be chaired by the Chairman.

5.8.2. Administrators are required to attend and actively participate in meetings of the Board of Administration.

5.8.3. For decisions to be valid, a majority of the members must be present at the meeting of the Board of Administration and the decision must be taken by a majority of the votes of the members of the Board.

5.8.4. Voting at meetings of the Board of Administration may be exercised, directly or by proxy.

5.8.5. Voting by proxy may only be exercised through another administrator and only on the basis of a special mandate. An administrator may only represent one absent administrator at a vote.

5.8.6 Direct voting may also be exercised by correspondence or by electronic means, under the conditions laid down by decision of the Board of Administration.

5.8.7 Each administrator has the right to cast, directly or by proxy, one vote only when a decision is taken by the Board of Administration.

5.8.8 In the event of a tie, the vote of the Chairman of the Board of Administration shall be decisive.

5.8.9 An administrator who has, directly or indirectly, interests contrary to the interests of the company in a particular transaction must inform the other directors and the internal auditor and must not take part in any deliberations concerning that transaction. The same obligation is incumbent on the administrator if, in a given transaction, he knows that his spouse, his relatives or his relatives up to and including the fourth degree are interested.

Art. 5.9. The basic tasks of the Board of Administration are, without limitation, as follows:

- a) approval of the main directions of the company's activity and development,
- b) checking the functioning of the internal/managerial control system,
- c) implementing accounting policies and financial planning,
- d) appointing and dismissing directors and determining their remuneration,
- e) evaluating the work of the directors,
- f) approving the company's management plan,
- g) preparing the annual report of the administrators,
- h) other powers of the Board of Administration that cannot be delegated by law.

Art. 5.10. The company must keep, through the administrators, a register of the company in which the name and surname of the shareholder, the registered office, the contribution to the share capital, the transfer of shares or other changes concerning the shares must be entered.

Art. 5.11. Representation and management of the company shall be carried out by the administrators within the limits of the competence established by the sole shareholder.

Art. 5.13. The rights and obligations of administrators, as well as their situations of incompatibility, are laid down in the management contract concluded with the company, in these By-laws and in the legal provisions applicable to the administrators of public companies.

Art.5.14. The administrators shall perform all acts necessary and useful for the realisation of the company's object of activity, with the exception of those which are provided by law to the sole shareholder.

Art. 5.15 Administrators are liable to the company for:

- a) the reality of the payments;
- b) the actual existence of dividends paid;
- c) the existence of the registers required by law and their correct keeping;

- d) the exact implementation of the resolutions of the sole shareholder;
- e) the strict compliance with the duties imposed by law and the by-laws;

## **CHAPTER VI THE DIRECTORS OF THE COMPANY**

- 6.1. The company may be managed by several directors, appointed and dismissed by the Board of Administration.
- 6.2. The Board of Administration shall appoint and remove from office including the Director-General of the company.
- 6.3. The Director-General represents the company in dealings with third parties and is responsible for taking all measures related to the management of the company, within the scope of its activity and in compliance with the exclusive powers of the Board of Administration and the Sole shareholder.
- 6.4. The Economic Director shall exercise the powers delegated to him/her by the Board of Administration within his/her area of competence.

## **CHAPTER VII. THE COMPANY'S BUSSINESS**

- Art. 7.1. (1) The financial year shall begin on 1 January and end on 31 December of each year.  
(2) The first financial year begins on the date of incorporation of the company.
- Art. 7.2. The employment of the company's staff shall comply with the legislation in force.
- Art. 7.3. The company prepares financial statements and profit and loss account, keeps records of its economic and financial activities, in accordance with the relevant legal provisions.
- Art. 7.4. The profit of the company shall be determined by the annual financial statement approved by the sole shareholder.
- Art. 7.5. (1) The annual financial statement of the company is audited by a financial auditor, selected and appointed in accordance with the law.  
(2) The company's first financial auditor is .....

## **CHAPTER VIII. DISSOLUTION AND LIQUIDATION OF THE COMPANY**

- Art. 8.1. Have the effect of dissolving the company:  
a) the impossibility of carrying out the company's core business or its realisation;  
b) the nullity of the company;  
c) decision of the sole shareholder;  
d) a court decision;  
e) bankruptcy;  
f) other cases provided for by law.
- Art. 8.2. The dissolution of the company, before the expiry of the term fixed for its duration, shall take effect vis-à-vis third parties only 30 days after publication in the Official Gazette of Romania, Part IV.
- Art. 8.3. The dissolution and liquidation of the sole shareholder company shall be carried out in accordance with Law no. 31/1990 on companies, republished, as amended and supplemented.

## **CHAPTER IX. DISPUTES**

- Art. 9.1. Disputes between the company and natural or legal persons fall under the jurisdiction of the Romanian courts.

## **CHAPTER X. FINAL PROVISIONS**

- Art. 10.1. The provisions of the By-laws shall be supplemented by the relevant legislation in force.
- Art. 10.2. These By-laws shall enter into force on the date of signature by the sole shareholder and on the date on which the company acquires legal personality in accordance with the law, and shall become its articles of incorporation.