

TERRESTRIAL ENERGY

TERRESTRIAL ENERGY INC. CORPORATE GOVERNANCE GUIDELINES

I. The Board of Directors

A. *Size of Board*

The number of directors that constitutes the Board of Directors (the “Board”) of Terrestrial Energy Inc. (the “Company”) shall be fixed from time to time pursuant to the Company’s certificate of incorporation and bylaws (as amended from time to time). The Nominating and Governance Committee is responsible for reviewing, on an annual basis, the advisability or need for any changes in the size and composition of the Board.

B. *Qualification Standards*

The Nasdaq Stock Market LLC (“Nasdaq”) requires the Board to have a majority of directors who are “Independent” as defined by its listing requirements. Each year, the Nominating and Governance Committee will review the relationships between the Company and each director and will report the results of its review to the Board, which will then determine which directors satisfy the applicable independence standards.

The Nominating and Governance Committee is responsible for identifying individuals qualified to become Board members. Nominees for directorship will be selected by the Nominating and Governance Committee. An invitation to join the Board should be extended by the Board itself, by the Chairperson of the Nominating and Governance Committee, by the Chairman of the Board (the “Board Chair”), or as the Nominating and Governance Committee otherwise determines.

The Board believes that its membership should continue to reflect a diversity of viewpoints, backgrounds, experiences and other demographics.

Prior to recommending to the Board that an existing director be nominated for election as a director at the annual meeting of stockholders, the Nominating and Governance Committee shall consider and review, among other things, the director’s:

- Past Board and committee meeting attendance and performance;
- Individual director evaluations;
- Length of Board service;
- Personal and professional integrity, including the director’s commitment to the Company’s core values;

- Relevant experience, skills, qualifications and contributions that the existing director brings to the Board; and
- Independence under applicable standards.

Prior to recommending to the Board that a person be elected to fill a vacancy on the Board, the Nominating and Governance Committee shall consider and review, among other things, each candidate's:

- Relevant skills, qualifications and experience, including past or present experience as an officer of another public company;
- Independence under applicable standards;
- Business judgment;
- Service on boards of directors of other companies;
- Personal and professional integrity, including the candidate's commitment to the Company's core values;
- Leadership skills;
- Understanding of finance and accounting, marketing, information technology, risk, regulation and public policy, and/or executive compensation practices;
- Openness and ability to work as part of a team;
- Ability and willingness to commit the required time to serve as a Board member;
- Familiarity with the Company and its industry, operations and target markets; and
- Potential conflicts of interest with the candidate's other personal and professional pursuits.

In considering individual director candidates (including both existing directors and candidates for appointment or nomination for election), the Nominating and Governance Committee shall also take into account the existing diversity in professional experience, skills, background, and other attributes, and the optimal enhancement of the current mix of talent and experience, of the Board taken as a whole.

The Nominating and Governance Committee shall treat recommendations for directors that are received from the Company's stockholders equally with recommendations received from any other source; *provided, however*, that in order for such stockholder recommendations to be considered, the recommendations must comply with the procedures outlined in the Company's Bylaws and described in the Company's proxy statement for its annual meeting of stockholders.

C. *Director Responsibilities*

The basic responsibility of each director is to exercise his or her business judgment to act in what he or she reasonably believes to be in the best interests of the Company and its stockholders. Directors are expected to become and remain well-informed about the Company's business and operations and general business and economic trends affecting the Company. In discharging these obligations, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors.

Directors are expected to attend (in person, via telephone or via video conference) Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. A director who is unable to attend a meeting of the Board or a committee of the Board is expected to notify the Board Chair or the Chairperson of the appropriate committee in advance of such meeting. Attendance at Board and committee meetings shall be considered by the Nominating and Governance Committee in assessing each director's performance.

Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. Consistent with their fiduciary duties, directors are expected to maintain the confidentiality of the information they receive as a director and the deliberations of the Board and its committees.

D. *Service on Other Boards*

No director may serve on the Board of more than four other public companies. Further, no director who is also a public company executive may serve on the board of directors of more than one other public company, unless otherwise determined by the Nominating and Governance Committee upon review of a director's commitments. In advance of accepting an invitation to serve on another public company board, directors should advise the Board Chair and the Chairperson of the Nominating and Governance Committee to allow for an assessment of, among other things, the expected time commitment (including any potential leadership roles on such other board of directors), the relevant industry, potential conflicts of interest and independence (including possible perceptions of conflicts or lack of independence).

E. *Change in Status*

A non-employee director will provide notice to the Board in the event of retirement or other substantial change in the nature of the director's employment or other significant responsibilities.

F. *Director Resignation in Connection with an Election*

The Board requires that a director tender his or her resignation if he or she fails to receive the required number of votes for re-election. If an incumbent director fails to receive the

required vote for re-election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit its recommendation for prompt consideration by the Board. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. The Board expects that any director whose resignation is under consideration will abstain from participating in any decision regarding that resignation or the resignation tendered by any other director in connection with the same election.

G. *Director Resignation Procedure*

Any director may resign at any time in the manner provided in the Company's Bylaws.

H. *Board Chair, Executive Chair of the Board and Chief Executive Officer*

The Board does not have a general policy that the offices of Board Chair and Chief Executive Officer should be held by two different individuals. The Board may separate or combine the roles of the Board Chair and Chief Executive Officer when and if it deems it advisable and in the best interests of the Company and its stockholders to do so; *provided, however,* that during any period that (i) the Board Chair is the same person designated by the Board as the Chief Executive Officer of the Company, (ii) the Company has appointed an Executive Chair, or (iii) the Board Chair is not independent, the Board shall elect a Lead Independent Director from among the then-current directors who are independent under the rules of Nasdaq, any applicable rules of the U.S. Securities and Exchange Commission and any publicly disclosed standards used by the Board in determining and disclosing the independence of the Company's directors. The Lead Independent Director, if appointed, shall have the duty and power to call and preside over meetings of the non-management directors; shall facilitate communication between management, the independent directors, and the Board Chair; shall actively participate in setting agendas for Board meetings; when appropriate, meet or otherwise communicate with major stockholders or other constituencies of the Company; and shall have such other duties and powers as may be prescribed by the Board. Any Lead Independent Director shall hold such office until such director's earlier death, resignation, retirement, disqualification or removal, the election of any successor by the Board from time to time, or when the conditions requiring the appointment of a Lead Independent Director are no longer present. If appointed, the name of the Lead Independent Director will be disclosed in the Company's proxy statement for its annual meeting of stockholders or, if the Company does not file an annual proxy statement, in its annual report on Form 10-K.

If an Executive Chair of the Board is appointed, the Executive Chair of the Board shall act as Board Chair, have the duty and power to call and preside over all Board meetings, and may vote at Board meetings on any matter requiring a vote. The Executive Chair of the Board shall perform such other duties and fulfill such other functions as may be specified by the Board or reflected in the terms of any applicable employment contract. References to the Board Chair herein are inclusive of the Executive Chair, as applicable.

I. *Meetings of the Board*

Regular meetings of the Board shall be held at such times and places as the Board determines. There will be at least four regularly scheduled meetings of the Board each year but the Board may meet more often as needed. The Board should review the Company's long-term strategic plans and risk management during at least one Board meeting per year. Directors are also expected to make themselves available outside of Board meetings for advice and consultation.

The CEO, in consultation with the Board Chair, will establish the agenda for each Board meeting. At the beginning of the year, the Board Chair will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). If an Executive Chair of the Board is appointed, he or she shall set the agenda for each Board meeting in consultation with the Chief Executive Officer. Each director is free to suggest the inclusion of items on the agenda. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

The Board should receive materials that are important to the Board's understanding of the issues to be discussed at meetings, including Board presentation materials, sufficiently in advance of such meetings to allow the Board to make informed decisions at the meetings. Directors are expected to review and become familiar with such materials prior to such meetings. On those occasions when the subject matter is too sensitive to be distributed, the subject will be introduced at the meeting.

J. *Meetings of Non-Management Directors*

The non-management directors will have regularly scheduled meetings in executive session that will be held immediately following each regularly scheduled Board meeting and at other times as requested by an independent director. If the non-management directors include directors who are not independent under the listing requirements of Nasdaq, then at least twice a year, there should be an executive session including only the independent directors. The Board Chair shall preside over such executive sessions; *provided, however*, that if a Lead Independent Director is appointed pursuant to these Governance Guidelines, the Lead Independent Director will preside over such executive sessions in accordance with these Governance Guidelines.

K. *Board Interaction with External Constituencies*

Management is responsible for establishing effective communications with the Company's stakeholder groups, *i.e.*, stockholders, customers, employees, suppliers, media, government and corporate partners. In limited circumstances, it may be appropriate for members of the Board to speak on behalf of the full Board with certain stakeholders. Individual directors will not meet or otherwise directly communicate with stakeholder groups or other external constituencies on behalf of the Company unless the communication is (1) requested by the Board Chair, the Chief Executive Officer or the full Board or (2) required to discharge his or her duties set forth in the Company's governance documents. If communication from the Board is appropriate, it should, in most instances, come from the Board Chair or, if one has

been appointed, the Lead Independent Director. In all events, if it becomes necessary for a director to speak with an outside constituency, it is expected that the director will only do so with knowledge of the Board Chair.

L. *Risk Management*

The Board will have overall responsibility for overseeing Management's implementation of the Company's guidelines and policies with respect to enterprise risk management, including any significant exposure to financial risks, commodity price risks, political and regulatory risks and cybersecurity risks, and the actions Management has taken to monitor and manage such risks. In discharging its oversight responsibilities, the Board will receive reports from, and coordinate with, each of the standing Board committees with respect to the risks inherent in each committee's specific areas of responsibility. Furthermore, in discharging such oversight responsibilities, the Board may, from time to time, delegate additional authority and responsibilities to one or more standing or ad hoc committees.

M. *Director Compensation*

The Compensation Committee will conduct an annual review of director compensation and make a recommendation to the Board regarding the form and amount of cash and equity-based and other compensation to be paid to non-employee members of the Board.

N. *Annual Performance Evaluation of the Board*

The Nominating and Governance Committee shall develop, recommend to the Board and coordinate an annual evaluation of the Board to determine whether the Board is functioning effectively and meeting its objectives and goals. As part of this process, the Nominating and Governance Committee will receive comments from all directors and report to the full Board with an assessment of the Board's effectiveness following the end of each fiscal year, including its assessment of the Board's organization, policies, performance, activities and contributions to the Company.

O. *Succession Planning*

The Compensation Committee will review and oversee the Company's succession planning for the Company's Chief Executive Officer and other executive officers.

P. *Director Orientation and Continuing Education*

The Nominating and Governance Committee is responsible for developing and annually evaluating an orientation and continuing education program for directors, and for making appropriate recommendations for final Board action regarding this program.

Q. *Board Member Attendance at the Annual Meetings of Stockholders*

Directors are encouraged to attend the Company's annual meeting of stockholders.

R. *Stockholder Communications with Directors*

The Board welcomes communications from the Company's stockholders and other interested parties. Stockholders and any other interested parties may send communications to the Board, any committee of the Board, the Board Chair, the Lead Independent Director or any other director in particular to:

Terrestrial Energy Inc.
Attn: Corporate Secretary
2730 W. Tyvola Road, Suite 100
Charlotte, NC 28217

Stockholders and any other interested parties should mark the envelope containing each communication as "Stockholder Communication with Directors" and clearly identify the intended recipient(s) of the communication. The Company's Chief Legal Officer or, in the absence of a Chief Legal Officer, the Company's Compliance Officer, will review each communication received from stockholders and other interested parties and will forward the communication, as expeditiously as reasonably practicable, to the intended recipient(s) if: (1) the communication complies with the requirements of any applicable policy adopted by the Board relating to the subject matter of the communication; and (2) the communication falls within the scope of matters generally considered by the Board. To the extent the subject matter of a communication relates to matters that have been delegated by the Board to a committee or to an executive officer of the Company, then the Company's Chief Legal Officer or, in the absence of a Chief Legal Officer, the Company's Compliance Officer, may forward the communication to the executive officer or chairperson of the committee to which the matter has been delegated. The forwarding of communications to, and receipt of communications by, the members of the Board or an executive officer does not imply or create any fiduciary duty of the Board members or executive officer to the person submitting the communications.

S. *Stock Ownership*

The Company encourages directors to own shares of the Company's stock. However, the number of shares of the Company's stock owned by any director is a personal decision and, at this time, the Board has chosen not to adopt a policy requiring ownership by directors of a minimum number of shares.

II. *Committees of the Board of Directors*

A. *Committees*

The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. However, the Board may, from time to time, establish and maintain additional committees as necessary or appropriate. Committee members will be appointed by the Board upon recommendation of the Nominating and Governance Committee, with consideration given to the desires of individual directors.

If required by Nasdaq, all of the members of the Audit Committee, Compensation Committee and Nominating and Governance Committee must satisfy the independence and experience requirements detailed in their respective committee charters. Each year, the Nominating and Governance Committee will determine whether or not each director is

independent, disinterested and a non-employee or outside director under the standards applicable to the committees on which such director is serving or may serve, and will report the results of its review to the Board, including any recommendations to rotate committee members and/or committee chairs. The Board will then determine which directors qualify as independent, disinterested, non-employee or outside directors under applicable standards.

As a general matter, each committee will exercise the powers of the Board and perform such duties and responsibilities as may be assigned to the committee. For the avoidance of doubt, to the extent permitted by law or regulation, any action that may or is to be taken by a committee may be taken directly by the Board in lieu of committee action.

B. *Committee Charters*

Each committee will have its own charter. The charters will set forth the authority and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

C. *Committee Meetings*

The chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda for each committee meeting.

D. *Annual Performance Evaluation of the Committees*

Each year, the Nominating and Governance Committee will lead the Board in the annual performance review of the Board's committees. As part of this process, the Nominating and Governance Committee will request that the chairperson of each committee report to the full Board about the committee's annual evaluation of its performance and evaluation of its charter following the end of each fiscal year.

III. *Director Access to Independent Advisors and Management*

The Board and each committee have the power to hire independent legal, financial or other experts and advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate with any employee that is not an executive officer of the Company must be arranged through the Chief Executive Officer or Board Chair. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

The Board welcomes regular attendance at each Board meeting of executive officers of the Company. If the Chief Executive Officer wishes to have additional employees attend Board meetings, he or she should obtain prior approval of the Board. It is understood that Company personnel and others attending Board meetings may be asked to leave the meeting in order for the Board to meet in executive session.

IV. Review of Governance Policies

At least annually, the Nominating and Governance Committee will review and reassess the adequacy of these Governance Guidelines and recommend any proposed changes to the Board for approval. In addition, the Nominating and Governance Committee will consider any other corporate governance issues that arise from time to time and will develop appropriate recommendations for the Board. Such review will include management's monitoring of the Company's compliance programs and Corporate Code of Business Conduct and Ethics, including a report of violations and waivers of the Corporate Code of Business Conduct and Ethics.

V. Posting Requirement

The Company will post these Governance Guidelines, the charters of each Board committee and the Company's Corporate Code of Business Conduct and Ethics on the Company's website as required by applicable rules and regulations. In addition, the Company will disclose in its proxy statement for its annual meeting of stockholders, in its Annual Report on Form 10-K, or otherwise in accordance with applicable rules and regulations, as applicable, that a copy of each document is available on the Company's website.

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The Board has adopted these guidelines to assist the Board in directing the Company's affairs. While these guidelines should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's certificate of incorporation and bylaws, it is not intended to establish by its own force any legally binding obligations.