



**TERRESTRIAL ENERGY INC.
CHARTER OF THE
NOMINATING AND GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS**

The Board of Directors (the “Board”) of Terrestrial Energy Inc. (the “Company”) has established the Nominating and Governance Committee of the Board (the “Committee”) having the authority, responsibilities and specific duties set forth in this Nominating and Governance Committee Charter (this “Charter”).

I. Purposes

The purposes of the Committee are to:

- A.** Advise the Board and make recommendations regarding appropriate corporate governance practices and assist the Board in implementing those practices;
- B.** Assist the Board by identifying individuals qualified to become members of the Board, consistent with the criteria approved by the Board, and recommending director nominees to the Board for election at the annual meetings of stockholders or for appointment to fill vacancies on the Board;
- C.** Advise the Board about the appropriate composition of the Board and its committees;
- D.** Lead the Board in the annual performance evaluation of the Board and its committees; and
- E.** Perform such other functions as the Board may assign to the Committee from time to time.

II. Membership

The Committee shall consist of not less than three members of the Board. Each member of the Committee must be “independent” in accordance with the requirements of The Nasdaq Stock Market LLC (“Nasdaq”). Committee members meeting the applicable independence requirements described above are referred to as “Independent Directors.” Notwithstanding the foregoing membership requirements, no action of the Committee shall be invalid by reason of any such requirement not being met at the time such action is taken.

The members of the Committee and its Chairperson (the “Committee Chair” or “Chair”) shall be selected annually by the Board, taking into consideration the recommendation of the Nominating

and Governance Committee, and shall serve at the pleasure of the Board or until their earlier resignation or death. The Board shall have power at any time to fill vacancies on, to change the membership of, or to dissolve the Committee. If a Chair is not designated by the Board or present at a meeting, the Committee may designate a Chair by majority vote of the Committee members.

III. Delegation of Authority

The Board delegates all authority to the Committee as may be required or advisable to fulfill the purposes and responsibilities of the Committee. Without limiting the generality of the preceding statement, the Committee shall have authority, and is entrusted with the responsibility, to take the following actions:

- A. *Investigations.*** Conduct or authorize investigations as it deems appropriate into any matter within the scope of the responsibilities delegated to the Committee, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee;
- B. *Experts, Advisors and Consultants.*** Retain, approve the fees payable to, amend the engagement with, oversee the work of, and terminate independent legal counsel and other experts, advisors and consultants as it deems necessary or appropriate to fulfill its responsibilities, including one or more search firms to assist the Committee in identifying director candidates. The Committee may also utilize the services of the Company's regular outside legal counsel or other advisors to the Company. Any communications between one or more members of the Committee, on the one hand, and the Committee's outside legal counsel, on the other hand, will be privileged communications. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any counsel, experts, consultants and advisors, including any search firm, retained by the Committee; and (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- C. *Delegation.*** Delegate to the Committee Chair, any one of its members or any subcommittee it may form the responsibility and authority to take action in relation to any particular matter, as it deems appropriate from time to time under the circumstances. However, no subcommittee shall have the authority to engage independent legal counsel or other experts and advisors unless expressly granted such authority by the Committee. The Committee shall not delegate to a subcommittee any power or authority required by law, regulation, or listing standard to be exercised by the Committee as a whole. Each subcommittee shall be composed solely of Independent Directors. Each subcommittee shall keep minutes and regularly report to the Committee.

IV. Responsibilities

The Committee shall have the following responsibilities:

- A. **Director Nomination Matters.****

Identification, Evaluation and Recommendation of Director Candidates and

Incumbent Directors.

Except where the Company is legally required by contract or otherwise to provide third parties with the ability to nominate directors, the Committee shall perform the following actions:

1. The Committee shall identify individuals qualified to become Board members and recommend to the Board the persons to be nominated by the Board for election as directors at the annual meeting of stockholders, and the persons to be elected by the Board to fill any vacancies on the Board;
2. Prior to recommending to the Board that an existing director or any director candidate recommended by the Company's stockholders be nominated for election as a director at the annual meeting of stockholders, the Committee shall consider and review the director's independence under existing SEC and Nasdaq rules, and the director's qualifications against the criteria set forth in the Company's Corporate Governance Guidelines;
3. In the event that a vacancy on the Board arises, the Committee shall seek and identify one or more qualified director nominee(s) to be recommended to the Board either for (a) appointment by the Board to serve the remainder of the term of the director position that is vacant or (b) election at the next annual meeting of stockholders. The Committee may, in its discretion, retain a search firm to provide additional candidates. Prior to recommending to the Board that a person be elected to fill a vacancy on the Board, the Committee shall consider and review each candidate's independence under existing SEC and Nasdaq rules, and qualifications against the criteria set forth in the Company's Corporate Governance Guidelines; and
4. At least annually, the Committee shall review the criteria for the nomination of director candidates and approve changes to the criteria, as appropriate.

Director Independence.

Each year, the Committee shall:

5. Review the relationships between the Company and each director and report the results of its review to the Board, which will then determine which directors satisfy the applicable independence standards;
6. Evaluate whether or not each director serving on a Board committee is independent, disinterested, a non-employee director or an outside director under the standards applicable to the committee(s) on which such director is serving or may serve and report the results of its review to the Board, which will then determine which directors qualify as an independent, disinterested, non-employee or outside director under applicable standards; and
7. Review and make a recommendation to the Board with respect to whether the Board should approve any requests from directors or officers to stand for election to any outside for-profit boards of directors. The Committee's

review of any such request will include the expected time commitment (including any potential leadership roles on such other board of directors), the relevant industry, potential conflicts and independence (including possible perceptions of conflicts or lack of independence).

B. Corporate Governance Matters

General.

1. The Committee shall consider any corporate governance issues, trends or best practices which may be relevant to the Company from time to time and develop appropriate recommendations for the Board with respect to such issues, trends or best practices.
2. Each year, or more frequently as the Committee deems necessary from time to time, the Committee shall review and reassess the adequacy of the Company's Corporate Governance Guidelines and Code of Business Conduct and Ethics, and recommend any proposed changes to the Board for approval.
3. The Committee shall oversee the implementation of, and periodically assess the need for modification or repeal of, guidelines and policies regarding ownership and trading of the Company's stock, and recommend such modification or repeal, if any, to the Board for approval.
4. The Committee shall review and discuss with Management disclosure of the Company's corporate governance practices, including information regarding the operations of the Committee and other Board committees, director independence and the director nomination process, and following such review and discussion, shall recommend that this disclosure be included in the Company's proxy statement for each annual stockholders' meeting or the Company's annual report on Form 10-K, as applicable.
5. The Committee shall review any director resignation letter tendered in accordance with the Company's director resignation policy set out in the Company's Corporate Governance Guidelines, and evaluate and recommend to the Board whether such resignation should be accepted.

Board and Committee Structure

Each year, the Committee shall:

6. Review the advisability or need for any changes in the size and composition of the Board;
7. Review the advisability or need for any changes in the size, composition, leadership and/or structure of the Board's committees; and
8. Recommend to the Board the composition of each Board committee and the individual director to serve as Chair of each committee.

Committee and Board Performance Evaluations

Each year, the Committee shall:

9. Request that the Chair of each committee report to the full Board about the committee's annual evaluation of its functioning and performance and of its charter following the end of each fiscal year; and
10. Receive comments from all directors and report to the full Board with an assessment of the effectiveness of the Board following the end of each fiscal year.

Other Powers and Responsibilities

Each year, the Committee shall:

11. Develop and evaluate a general education and orientation program for new directors and a continuing education program for current directors, present a report to the Board, and make appropriate recommendations for final Board action regarding these programs;
12. Review the Board's policy regarding whether the positions of Chairman of the Board (the "Board Chair") and Chief Executive Officer may be held by the same individual;
13. If there is an Executive Board Chair or if the Board Chair and Chief Executive Officer positions are held by the same individual, make a recommendation to the Board concerning the selection and designation of a "Lead Independent Director" to preside over the meetings of the non-Management directors in executive session and perform such other duties as may be prescribed by the Board;
14. Review and recommend to the Board proposed changes, if any, to the Company's Certificate of Incorporation and Bylaws;
15. Review significant stakeholder concerns and stockholder proposals relating to corporate governance matters and recommend Board responses;

16. Provide general oversight, including consultation and cooperation with other committees of the Board as necessary or appropriate, regarding regular engagement with stockholders.

V. Procedures

- A. **Meetings.** The Committee shall meet at the call of its Chair, two or more members of the Committee or the Board Chair. The Committee shall meet as frequently as the Committee or its Chair deems necessary or appropriate. The Committee Chair will lead all regular sessions of the Committee and set the agenda for Committee meetings. Meetings of the Committee may be in person, by conference call, or by video conference link, in each case in accordance with the Company's Bylaws. Meetings of the Committee shall be held at such time and place, and upon such notice, as the Committee Chair may from time to time determine.

Meetings may, at the discretion of the Committee, include non-Independent Directors, members of Management, other Company employees, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee but shall not participate in any discussion or deliberation unless invited to do so by the Committee Chair, and in any event shall not be entitled to vote. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director that is not a member of the Committee.

- B. **Quorum and Approval.** A majority of the Committee's members shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.
- C. **Rules.** The Committee may determine additional rules and procedures, including designation of a Chair pro tempore in the absence of its Chair and designation of a secretary of the Committee at any meeting thereof.
- D. **Reports.** The Committee shall maintain minutes of its meetings and make regular oral or written reports to the Board, directly or through the Committee Chair, of its actions and any recommendations to the Board.
- E. **Review of Charter.** Each year, the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.

- F. ***Self-Evaluation.*** Each year, the Committee shall review and evaluate its own functioning and performance and shall submit itself to a review and evaluation by the Board.
- G. ***Fees; Reimbursement of Expenses.*** Each member of the Committee, including the Chair, may be paid a fee set by the Board for his or her services as a member or Chair, as the case may be, of the Committee. Subject to the Company's Corporate Governance Guidelines and other policies, Committee members, including the Chair, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

VI. Posting Requirement

The Company shall post this Charter on the Company's website as required by applicable rules and regulations. In addition, the Company shall 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 this Charter is available on the Company's website and provide the website address.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law. Further, nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by Committee members on reports or other information provided by others.