

# TERAWULF INC.

## CORPORATE GOVERNANCE GUIDELINES

Effective October 27, 2023

The board of directors (the “**Board**”) of TeraWulf Inc. (the “**Company**”) has adopted these corporate governance guidelines (these “**Guidelines**”) to assist its members in the exercise of their responsibilities. These Guidelines reflect the commitment of the Board to monitor the effectiveness of policy and decision-making, both at the Board and senior management levels, and to promote the long-term value of the Company and the stockholders. These Guidelines are a statement of policy and are not intended to change or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the amended and restated certificate of incorporation (as further amended, restated or otherwise modified from time to time, the “**Certificate of Incorporation**”) or the amended and restated bylaws (as further amended, restated or otherwise modified from time to time, the “**Bylaws**” and, together with the Certificate of Incorporation, the “**Charter Documents**”). These Guidelines shall be superseded by the Charter Documents in the event of conflict. These Guidelines are subject to periodic review by the nominating and corporate governance committee of the Board (the “**Governance Committee**”) and to modification, from time to time, by the Board.

### I. Membership of the Board

1. **Size of the Board.** The number of directors that constitutes the Board may be adjusted from time to time by the Board in accordance with the requirements of the Charter Documents. The Governance Committee will periodically review the size of the Board to determine whether the size of the Board should change to best serve the Company and the stockholders.
2. **Majority Independence of the Board.** To the extent required by the Nasdaq Stock Market LLC (“**Nasdaq**”), the Board will have a majority of directors who meet the criteria for independence required by Nasdaq, subject to applicable phase-in rules and regulations and other permitted exceptions or cure periods.

In addition to the foregoing requirements, members of the audit committee of the Board (the “**Audit Committee**”), members of the compensation committee of the Board (the “**Compensation Committee**”) and members of the Governance Committee are subject to heightened independence requirements pursuant to the rules of the Securities and Exchange Commission and Nasdaq. The Governance Committee will determine, annually or more frequently as necessary, based on the relevant facts and circumstances, whether each director satisfies these heightened independence criteria.

In addition to the objective independence tests laid out under the Nasdaq standards and applicable SEC regulations, the Board also analyzes director independence using subjective tests, taking into account various facts and circumstances bearing on independence that the Board considers relevant.

3. **Director Selection.** The stockholders elect members of the Board from the director nominees presented at each annual meeting of stockholders (each, an “**Annual Meeting**”), who may be nominated by the Board or by stockholders directly. When a vacancy on the Board occurs between stockholder elections, the Board is authorized to appoint a new director to fill the vacancy. The Governance Committee recommends to the Board director candidates for nomination and election at the Annual Meeting or for appointment to fill vacancies. In making its recommendations to the Board, the Governance Committee considers the qualification of individual director candidates in light of the Board membership criteria described below and may also consider any advice or recommendations offered by the chief executive officer of the Company (the “**Chief Executive Officer**”). The Governance Committee will also consider stockholder recommendations that are validly submitted to the Board or the Governance Committee, as applicable, in accordance with applicable procedures, laws, rules and regulations and the provisions of the Charter Documents. Only individuals nominated in compliance with the procedures set forth in the Charter Documents may stand for election at an Annual Meeting. The Governance Committee will further be responsible for recommending the nomination of the incumbent directors it deems appropriate for re-election to the Board upon the expiration of such director’s term.
  
4. **Board Membership Criteria.** In evaluating the suitability of individual candidates (both new and current Board members), the Governance Committee, in recommending candidates for election, and the Board, in approving (and in the case of vacancies, appointing) such candidates, may take into account many factors including: personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company; strong finance experience; relevant social policy concerns; experience relevant to the Company’s industry; experience as a board member or executive officer of another publicly held company; relevant academic expertise or other proficiency in an area of the Company’s operations; diversity of expertise and experience in substantive matters pertaining to the Company’s business relative to other Board members; diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence and specialized experience; practical and mature business judgement, including but not limited to, the ability to make independent analytical inquiries; and any other relevant qualifications. The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgement using its diversity and experience in these various areas. In determining whether to recommend a director for re-election, the Governance Committee may also consider the director’s past attendance at meetings and participation in and contribution to activities of the Board.

5. ***Director Terms and Tenure.***

- (a) *Term Limits.* As each director is periodically subject to election by the stockholders, the Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board.
- (b) *Directors Who Resign or Materially Change Their Current Positions With Their Own Company or Become Aware of Circumstances that May Adversely Reflect Upon the Director or the Company.* When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer or becomes aware of circumstances that may adversely reflect upon the director or the Company, such director should notify the Governance Committee and the chief legal officer of the Company of such circumstances. The Governance Committee will consider the circumstances, and may in certain cases recommend that the Board request that the director submit his or her resignation from the Board if, for example, continuing service on the Board by the individual is not consistent with the criteria deemed necessary for continuing service on the Board.
- (c) *Other Board Service and Conflicts.* While directors are not prohibited from serving on other boards, including other public company boards, each director is required to disclose such service to the Board, and when considering accepting such service, directors should ensure they are able to devote substantial time to their duties as directors on the Board. If the Board determines that a director's service on such other boards presents a conflict with such director's performance of his or her duties on the Board, the Board will advise such director to resign, and, if the Board determines that a director's outside board service presents a conflict with such director's duties as a member of the Board in violation of the Board's conflict of interest policy, the Board may remove such director from the Board by the affirmative majority vote of the Board.

**II. Leadership of the Board**

- 1. ***Chairperson of the Board.*** The Board is led by a chairperson elected from its membership, who may or may not be an executive officer of the Company (the "***Chairperson***"). The Board does not have a policy as to whether the Chairperson should be an independent director, an affiliated director, or a member of management. It is the Board's current policy that the Chairperson's duties will include (a) chairing meetings of the Board, (b) overseeing preparation of agendas for meetings of the Board, (c) overseeing the process of informing the Board through timely distribution of information and reports, (d) serving as an ex-officio,

non-voting member of each standing committee of the Board, except the Sustainability Committee, of which he or she shall be a member. The Chairman's participation as an ex-officio member at any meeting will not affect the presence or absence of a committee's quorum. In acknowledgement of the numerous committee meetings, the Chairman will decide, in his or her sole discretion, which committee meetings he or she will attend, and (e) such other duties, such as communication with external stakeholders, as the Board may specifically request.

2. ***Lead Director.*** To ensure robust independent leadership on the Board, if the individual appointed as Chairperson is not an independent director, or when the independent directors determine that it is in the best interests of the Company, the independent directors will also appoint a lead independent director (the "***Lead Director***"). The Lead Director's responsibilities will include (a) presiding over all meetings of the Board at which the Chairperson is not present, including executive sessions of independent directors, (b) serving as liaison between the Chairperson and independent directors, (c) approving the meeting schedules and agendas for the Board and (d) if requested by the major stockholders, ensuring that he or she is available for consultation and direct communication. If the Chairperson is an independent director, then the foregoing responsibilities will be handled by such Chairperson.

### **III. Procedures and Practices of the Board**

1. ***Directors' Responsibilities and Duties.*** The Board is elected by the stockholders to provide oversight and strategic guidance to senior management. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and the stockholders. In discharging this obligation, the directors should be entitled to rely on the honesty and integrity of the senior executives, outside advisors and independent auditors.
  - (a) In addition to its general responsibility to oversee management, the Board is also responsible for performing specific functions, including to:
  - (b) Review the fundamental financial and business strategies and review and approve major actions by the Company.
  - (c) Monitor and oversee the Company's financial position.
  - (d) Review the Company's compliance systems and to confirm they are consistent with the objective that the Company and the officers and directors of the Company act legally, ethically, and responsibly.
  - (e) Participate in Board meetings, review relevant materials in advance of meetings, serve on committees of the Board, as applicable, and prepare for meetings and for discussions with management.

- (f) Spend the time needed, and meet as frequently as necessary, to properly discharge its responsibilities.
  - (g) Understand the Company’s business, industry, and primary risks.
  - (h) Review the Company’s environmental, social and governance (“*ESG*”) strategy, including on the basis of periodic reports provided by management addressing relevant ESG matters and practices.
2. ***Enterprise Risk Management.*** The Board provides ultimate oversight of risk management at the Company. The Board and its committees assess whether management has an appropriate framework to manage risks and whether the framework is operating effectively. On a regular basis, the Board and its committees engage with management on risk as part of broad strategic and operational discussions which encompass interrelated risks, as well as on a risk-by-risk basis. The Board executes its oversight responsibility directly and through its committees, which regularly report back to the full Board.
3. ***Meetings of the Board.***
- (a) *Selection of Agenda Items.* The Chairperson establishes the agenda for Board meetings, taking into account suggestions from members of the Board. Each director is free to raise at any Board meeting subjects that are not on the agenda for that meeting.
  - (b) *Executive Sessions of Independent Directors.* The independent directors will meet periodically in executive sessions at which only independent directors are present, and at least twice per year. Meetings of the independent directors should generally coincide with the regularly scheduled Board meetings; *provided, however*, that the Lead Director or a majority of the independent directors may call a meeting of the independent directors at any time. The Lead Director shall preside as the chair at meetings of independent directors and, following each executive session of the independent directors, discuss with the Chairperson or the Chief Executive Officer, to the extent appropriate, matters emanating from the executive session.
  - (c) *Advance Distribution of Materials.* The Company will distribute written materials in advance of meetings to permit a meaningful review by the directors. Each director is encouraged to review this information in advance to facilitate the efficient use of meeting time.
  - (d) *Frequency of Board Meetings.* The Board will meet at least four (4) times annually. In addition, special meetings may be called from time to time as determined by the needs of the business.
4. ***Director Compensation.*** The Compensation Committee will conduct a periodic review of director compensation and make a recommendation to the Board

regarding the form and amount of director compensation. The Company will also reimburse the directors for reasonable expenses incurred in connection with attending any Board, Board committee, or stockholder meetings. The Compensation Committee will consider that a director's independence may be jeopardized if (a) director compensation and prerequisites exceed customary levels, (b) the Company makes substantial charitable contributions to organizations with which the director is affiliated, or (c) the Company enters into consulting contracts (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. The Compensation Committee will critically evaluate each of these matters when determining the form and amount of director compensation and will ensure that such payments do not violate the applicable Nasdaq independence requirements. Directors who are employees of the Company may not receive any additional compensation for service on the Board.

5. ***Annual Performance Evaluation of the Board.*** The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively and in accordance with these Guidelines. The Governance Committee will receive comments from all directors as to the Board's performance, using whatever method it determines, and will report to the full Board its assessment of the Board's performance and the Board's committees.
6. ***Director Orientation and Continuing Education.*** Management will provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management will provide opportunities for additional education sessions for directors on matters relevant to the Company and its business.
7. ***Board Access to Senior Management.*** Members of the Board have complete access to the Company's management and any of the Company's advisors. Members will exercise judgement to ensure that contact with management is not distracting to the business or operation of the Company.
8. ***Communication with Outside Parties.*** It is generally the responsibility of management to speak for the Company in communications with outside parties, including financial analysts, members of the press, advisors and industry associates. Individual Board members may, from time to time at the request of management, meet or otherwise communicate with various constituencies that are involved with the Company. To ensure compliance with applicable securities laws and to avoid the potential detriment to the interests of the Company, the stockholders and other constituencies that could result from inconsistent communications, members of the Board will not respond to media inquiries or make statements to the media regarding the Company or the business without consultation with, and approval by, the Chairperson or the Board.
9. ***Stockholder Communications with Directors.*** Stockholders and other interested parties interested in communicating directly with the Board or an individual director may do so in writing to the following address. The mailing should clearly

indicate whether the communication is intended for the Board as a group or any specific director(s).

Board of Directors  
c/o TeraWulf Inc.  
9 Federal Street  
Easton, MD 21601  
Attn: Corporate Secretary

Certain topics that are unrelated to the Board's duties and responsibilities should be excluded from stockholder communications such as: spam; junk mail and mass mailings; resumes or other forms of job inquiries; surveys; and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any non-executive director upon request. Any concerns relating to accounting, internal controls or auditing matters will be brought to the attention of the Audit Committee.

11. ***Board Access to Independent Advisors.*** The Board and each committee of the Board may retain independent legal, financial or other advisors. The Company will provide funding, as determined by the Board or any committee, to compensate those independent auditors or advisors, and to cover the ordinary administrative expenses incurred by the Board and its committees in carrying out their duties.
12. ***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 a 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.
13. ***Confidentiality.*** The proceedings and deliberations of the Board and committees of the Board shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.
14. ***Code of Ethics.*** The Company has adopted a code of ethics (the "***Code of Ethics***") and other internal policies and guidelines designed to support these Guidelines and to comply with applicable law. The directors are expected to comply fully with the Code of Ethics and any other applicable policies and guidelines. The Board will adopt and review, as appropriate, policies and procedures designed to ensure that the Company and the directors, officers and employees comply, in all material respects, with all applicable regulatory requirements and conduct the business with a commitment to ethical business practices and legal compliance.

#### **IV. Committees of the Board**

1. ***Committees.*** The Board will have at all times an Audit Committee and a Compensation Committee and a Governance Committee. To the extent required by the Nasdaq listing rules, applicable laws, and the Board, each of these committees

will consist solely of independent directors, subject to applicable phase-in rules and regulations and other permitted exceptions. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. ***Composition of Committees and Committee Chairs.*** The Board shall designate the chair and the members of each Board committee. Committee assignments are reviewed each year by the Governance Committee. The Board considers the Governance Committee recommendations for periodic rotation of committee members and chairs, considering the desirability of rotation of committee members and chairs, the benefits of continuity of experience, and applicable legal, regulatory, and Nasdaq listing requirements.
3. ***Committee Charters.*** Each Board committee will have its own charter, which will set forth the purposes, goals and responsibilities of such Board committee 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 Board committee will annually evaluate its own performance.
4. ***Committee Meetings and Agendas.*** The chair of each committee develops, together with relevant management, the committee's agenda and the objective for committee meetings. The chair of each committee and the respective committee members will determine the frequency and length of committee meetings consistent with the committee's charter.

## **V. Executive Officer Evaluation, Compensation and Management Succession**

1. ***Executive Officer Evaluation and Compensation.*** On an annual basis, the Compensation Committee will review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives and determine and approve the Chief Executive Officer's compensation levels based on this evaluation. The Compensation Committee will also review and approve corporate goals and objectives relevant to the compensation of the other executive officers. No executive officers may be present during voting or deliberations relating to his or her own compensation.
2. ***Succession Planning.*** The Board, or certain members of the Board to whom the Board may delegate its authority from time to time, oversees the Company's management succession planning and will develop an executive officer succession plan in the event of an unexpected occurrence and will also review such plan from time to time as appropriate.

## **VI. Review and Amendment**

1. ***Review.*** The Governance Committee will periodically review and reassess the adequacy of these Guidelines and recommend any proposed changes to the Board. In addition, the Governance Committee will consider any other corporate



governance issues that arise from time to time and will develop appropriate recommendations for the Board.

2. ***Amendment.*** The Board reserves the right to amend these Guidelines at any time, for any reason, subject to applicable law.

Approved and adopted:            October 27, 2023