



## MAJORITY VOTING POLICY WITH RESPECT TO ELECTION OF DIRECTORS

### 1. Introduction

The board of directors (the “**Board**”) of Bitfarms Ltd. (“**Bitfarms**” or the “**Corporation**”) believes that each director should have the confidence and support of the shareholders of the Corporation. To this end, the Board has unanimously adopted this policy (This “**Policy**”). This Policy applies to all current and future directors of the Corporation.

### 2. Voting Procedure during Meetings

#### 1.1 Individual Voting

Forms of proxy provided to shareholders in respect of the election of directors at a shareholders’ meeting shall enable each shareholder to vote its shares in favour of, or to withhold its shares from voting with respect to, each nominee separately. The Chairman of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded. If the vote was by a show of hands, the Corporation will record the number of shares voted by proxy in favour or withheld for each director.

#### 1.2 Treatment of withheld votes

If, in an uncontested election of directors of the Corporation, any particular nominee for director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, then for purposes of this Policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law, and such nominee shall immediately tender his or her resignation to the Chairman of the Board following the meeting.

As used in this Policy, an “uncontested election” shall mean an election where the number of nominees for director shall be equal to the number of directors to be elected as determined by the Board.

### 3. Nominee not Receiving the Support of the Shareholders

#### 3.1 Director to submit resignation

A director nominee who is considered under this Policy not to have received the support of shareholders will forthwith submit his or her resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Governance & Nominating Committee (the “**Committee**”).

The Committee shall consider the resignation offer and shall recommend to the Board whether or not to accept it. In its deliberations, the Committee may consider any stated reasons as to why shareholders “withheld” votes from the election of the relevant director, the length of service and the qualifications of the director, the director’s contributions to the Corporation, the effect such resignation may have on the Corporation’s ability to comply with any applicable governance rules and policies, the dynamics of the Board, and any other factors that the members of the Committee consider relevant. Except in exceptional circumstances that would warrant the applicable director to continuing to serve on the Board, the Committee shall recommend to the Board to accept the resignation of the director.



### **3.2 Board expected to consider resignation within 90 days**

The Board shall act on the Committee's recommendation within 90 days following the meeting at which the Director whose resignation has been tendered was elected. In considering the Committee's recommendation, the Board will consider the factors considered by the committee and such additional information and factors that the Board considers to be relevant. The resignation will be effective if any, if so, when accepted by the Board.

### **3.3 Director's activities while resignation considered**

Any director who tenders his or her resignation pursuant to this Policy will not participate in any of the Board's or Committee's consideration regarding whether to accept the tendered resignation. However, such director shall remain active and engaged in all other committee and Board activities, deliberations and decisions during the process described by this Policy

### **3.4 Press Release**

Following the Board's decision on the resignation, the Corporation shall promptly issue a news release with the Board's decision, a copy of which will be provided to the Toronto Stock Exchange. If the Board determines not to accept a resignation, the news release shall fully state the reasons for that decision.

## **4. Effect on any resulting vacancy**

### **4.1 Alternatives available to the Board**

In the event that the Board chooses to accept one or more resignations, and subject to any restrictions or requirements, under applicable laws, rules and regulations (including the continued listing requirements of the exchange(s) on which the Corporation's securities are traded), the Board may:

- (a) Leave the resultant vacancy unfulfilled until the next annual general meeting;
- (b) Fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders; or
- (c) call a special meeting of shareholders at which one or more management nominees will be presented to fill the vacant position or positions.

### **4.2 Vacancy resulting in no quorum**

In the event that resignations received pursuant to this Policy result in the Committee not having a sufficient number of directors to constitute a quorum, the Board shall be entitled to appoint additional Board members to the Committee for the sole purpose of considering the resignation(s) received. Such appointment will be effective upon the approval of a majority of the Board, not including those members who submitted a resignation in accordance with this policy.

In the event that a resignations received pursuant to this policy result in the Board not having a sufficient number of directors to constitute a quorum, the vacancies shall be filled in accordance with applicable securities laws.



## 5. General

This policy is subject to change from time to time by the Board. In addition, the Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to shareholders of the Corporation or other liability whatsoever. This Policy will be available on Bitfarms website at [www.bitfarms.com](http://www.bitfarms.com).

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| Approved by:         | Board of Directors |