



MANDATE OF THE BOARD OF DIRECTORS

1. Introduction

The directors (the “**Board**”) of Bitfarms Ltd. (“**Bitfarms**” or the “**Corporation**”) are responsible for establishing and maintaining a culture of integrity in the conduct of the affairs of **Bitfarms**. The **Board** seeks to discharge this responsibility by satisfying itself as to the integrity of the Chair of the **Board**, the Chief Executive Officer, the Chief Financial Officer, and other officers and management who comprise the leadership of the **Corporation**. It does so by overseeing and monitoring Management (as defined below) to maintain a culture of integrity.

Although directors may be nominated by certain persons to bring special expertise or a point of view to **Board** deliberations, they are not chosen to represent a particular constituency. The best interests of **Bitfarms** and its shareholders (the “**Shareholders**”) shall be paramount at all times.

2. Role and Responsibilities of the Board

The **Board** discharges its responsibilities directly and through its standing committees, namely the Audit Committee, the Governance & Nominating Committee (the “**G&N Committee**”), the Compensation Committee, the Environmental and Social Responsibility Committee, and other committees the **Board** may establish based on the needs of the **Corporation**. In addition to these regular committees, the **Board** may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the **Board**’s primary roles of overseeing the affairs of the **Corporation**, principal duties include, but are not limited to, the following categories:

2.1 Oversight of Management

- (a) The **Board** has the responsibility for approving the appointment of the Chief Executive Officer and other officers of the **Corporation** (collectively, the “**Officers**” or “**Management**”), and approving the compensation of the **Officers**, and the general compensation structure of the **Corporation**, following a review of the recommendations of the Compensation Committee;
- (b) The **Board** has delegated authority to the Chief Executive Officer for the overall **Management** of the **Corporation**, including strategy and operations, to ensure the long term success of the **Corporation** and to maximize Shareholder value;
- (c) The **Board** may from time to time delegate authority to the **Officers**, subject to specified limits. Matters which are outside the scope of the authority delegated to the **Officers** and material transactions are reviewed by and subject to the prior approval of the **Board**;
- (d) The **Board** is responsible for monitoring the performance and training of **Management**; and
- (e) The **Board** will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer, the Chief Financial Officer, and **Management** and satisfy itself that such persons create a culture of integrity throughout the organization.

2.2 Board Organization

- (a) The **Board** will respond to recommendations received from the Governance & Nominating Committee and from the Compensation Committee, but retains the responsibility for managing its own affairs by giving its approval for its composition, the selection of the Chair of the **Board**, candidates nominated for election to the **Board**, committee and committee chair appointments, committee charters and director compensation; and



- (b) The **Board** may delegate to committees matters it is responsible for, including the approval of compensation of the **Board** and **Management**, the approval of interim financial results, the conduct of performance evaluations, oversight of internal control systems, and safety matters. However, the **Board** retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

2.3 Monitoring of Financial Performance and Other Financial Reporting Matters

- (a) The **Board** has oversight responsibility for reviewing and questioning the strategies and plans of the **Corporation**;
- (b) The **Board** has oversight responsibility for reviewing systems for managing the principal risks of the **Corporation's** business including insurance coverage, conduct of material litigation and the effectiveness of internal controls and management information systems;
- (c) The **Board** is responsible for considering the appropriate measures it may take if the performance of the **Corporation** falls short of its goals or other special circumstances warrant;
- (d) The **Board** shall, upon the recommendation of the Audit Committee, be responsible for approving the **Corporation's** audited financial statements and the notes related thereto;
- (e) The **Board** is responsible for reviewing and approving material transactions involving the **Corporation** and those matters which the **Board** is required to approve under its governing legislation and documents, including the payment of distributions, acquisitions and dispositions of material assets by the **Corporation** and material expenditures by the **Corporation**;
- (f) The **Board** has responsibility for effectively identifying and monitoring the principal risks of the **Corporation** and ensuring implementation of appropriate systems to manage these risks; and
- (g) The **Board** will adopt a strategic planning process to establish objectives and goals for **Bitfarms'** business and will review, approve and modify, as appropriate, the strategies proposed by senior **Management** to achieve such objectives and goals. The **Board** will review and approve, at least on an annual basis, a strategic plan that takes into account, among other things, the opportunities and risks of **Bitfarms'** business affairs.

2.4 Policies and Procedures

- (a) The **Board** is responsible for:
- approving and monitoring compliance with all significant policies and procedures by which the **Corporation** is operated;
 - approving policies and procedures designed to ensure that the **Corporation** operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
 - enforcing obligations of the directors respecting confidential treatment of the **Corporation's** proprietary information and **Board** deliberations.
- (b) The **Board** has approved a Disclosure and Confidentiality Policy respecting communications to the public. Additional policies approved by the **Board** are provided in Section 4.0 herein.



2.5 Reporting

The **Board** is responsible for:

- overseeing the accurate reporting of the financial performance of the **Corporation** to the Shareholders on a timely and regular basis;
- overseeing that the financial results are reported fairly and in accordance with legally applicable accounting standards;
- ensuring the integrity of the internal control and management information systems of the **Corporation**; and
- taking steps to enhance timely disclosure of material information related to the operations of the **Corporation** or as required under applicable law.

3. Matters Reserved Exclusively for the Board

As a matter of policy, the **Board** has decided that the following matters must be considered by the entire **Board** and may not be delegated to any committee, unless the **Board** decides, in its discretion, to form and authorize a special committee to evaluate a related party or other business transaction:

- any submission to the Shareholders of any question or matter requiring shareholder approval;
- filling a vacancy among the executive **Management** (CEO or CFO), directors or in the office of auditor;
- the manner and terms for the issuance of securities in **Bitfarms** or its subsidiaries;
- declaring dividends;
- the purchase, redemption or other acquisition of shares of the **Corporation** (the "Shares");
- paying a commission or allowing a discount to any person in consideration of his or her subscription for **Corporation** Shares or role in procuring subscriptions for Shares;
- approving a management information circular, take-over bid circular, directors' circular or (if applicable) annual information form;
- approving annual and quarterly financial statements; and
- the adoption, amendment or repeal of the **Corporation's** by-laws.

4. Corporate Policies

The **Board** will adopt and annually review policies and procedures designed to ensure that **Bitfarms**, its directors, **Officers** and employees comply with all applicable laws, rules and regulations and conduct **Bitfarms'** business ethically and with honesty and integrity. Principal policies consist of:

- Anti-Bribery and Anti-Corruption Policy;
- Code of Business Conduct and Ethics;
- Disclosure and Confidentiality Policy;
- Diversity Policy;
- Securities Trading Policy;
- Whistleblower Policy;
- Majority Voting with respect to Election of Directors; and
- Clawback Policy.



5. Review of Mandate

The G&N Committee will annually review and assess the adequacy of this mandate and recommend any proposed changes to the **Board** for consideration.

Dated: June 12, 2019

Re-approved; December 11, 2023 (Previously revised on March 24, 2022)

Approved by: Board of Directors