



AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Bitfarms Ltd. (“**Bitfarms**” or the “**Corporation**”).

1. **Mandate**

The **Committee** shall:

assist the **Board** in its oversight role with respect to the quality and integrity of the **Corporation’s** financial statements, financial reporting processes, and systems of internal controls and disclosure controls regarding risk management, finance, accounting and legal and regulatory compliance;

- (a) assess the effectiveness of the **Corporation’s** risk management and compliance practices;
- (b) assess the independent auditor’s performance, qualifications and independence;
- (c) assess the performance of the **Corporation’s** internal audit function; review the periodic audits performed by the independent auditor and the **Corporation’s** internal accounting department;
- (d) review the **Corporation’s** financial statements, management discussion and analysis and annual and interim earnings press release before the **Corporation** publicly discloses such information;
- (e) ensure the **Corporation’s** compliance with legal and regulatory requirements; and
- (f) prepare all filings and disclosure documents required to be prepared by the **Committee** and/or the **Board** pursuant to all applicable federal, provincial and state securities legislation and the rules and regulations of all securities commissions having jurisdiction over the **Corporation**.

Despite the foregoing, it is not the duty of the **Committee** to plan or conduct audits, or to determine that the Company’s financial statements are complete and accurate or in accordance with generally accepted accounting principles, accounting standards or applicable laws and regulations. This is the responsibility of the **Corporation’s** management, internal accounting department and independent auditors. The primary function of the **Committee** is oversight, and it is therefore entitled to rely on the expertise, skills and knowledge of the **Corporation’s** management, internal accounting department, independent auditors and other external advisors and the integrity and accuracy in information provided by such persons or entities. Nothing in this **Charter** is intended to change or in any way limit the responsibilities and duties of the **Corporation’s** management, internal accounting department, or independent auditors.

2. **Composition and Membership**

The **Committee** shall be composed of not less than three members, each of whom shall be a director of the **Corporation**. All members of the **Committee** shall not be an officer or employee of the **Corporation**, and shall satisfy the applicable independence and experience requirements of the laws governing the **Corporation**, the applicable stock exchanges on which the **Corporation’s** securities are listed and applicable securities regulatory authorities.

Each member of the **Committee** shall be financially literate as such qualification is interpreted by the **Board** in its business judgment. At least one member of the **Committee** will qualify as an audit committee financial expert as defined by the U.S. Securities and Exchange Commission (the “**SEC**”).



Members of the **Committee** shall be appointed or reappointed at the annual meeting of the **Corporation** and, in the normal course of business, will serve a minimum of three years. Each member shall continue to be a member of the **Committee** until a successor is appointed, unless the member resigns, is removed, ceases to be a director or ceases to meet the requirements established by any applicable securities regulatory authority, including but not limited to the Ontario Securities Commission and the Securities and Exchange Commission of the United States of America. The **Board** may fill a vacancy that occurs in the **Committee** at any time.

The **Board** or, in the event of its failure to do so, the members of the **Committee**, shall appoint or reappoint, at the annual meeting of the **Corporation**, a Chair among their number. The Chair shall not be a former Officer of the **Corporation**. Such Chair shall serve as a liaison between members and senior management.

The time and place of meetings of the **Committee** and the procedure at such meetings shall be determined from time to time by the members provided that:

- (a) a quorum for meetings shall be a majority of the members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak or hear each other;
- (b) the **Committee** shall meet at least quarterly;
- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the **Committee** at least 24 hours in advance of such meeting;
- (d) the **Committee** shall direct management to maintain minutes or other records of meetings and activities of the **Committee** and shall ensure minutes are kept in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the **Committee**, the minutes shall be circulated to members of the **Board**;
- (e) The independent auditor is entitled to attend and be heard at each **Committee** meeting, and in addition, the **Committee** may invite to a meeting any officers or employees of the **Corporation**, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities; and
- (f) The **Committee** may act by unanimous written consent in lieu of a meeting.

The **Committee** shall report to the **Board** on its activities after each of its meetings. The **Committee** shall review and assess the adequacy of this **Charter** annually and, where necessary, recommend changes to the **Board** for its approval. The **Committee** shall undertake and review with the **Board** an annual performance evaluation of the **Committee**, which shall assess the performance of the **Committee** against the requirements of this **Charter**. The performance evaluation by the **Committee** shall be conducted in such manner as the **Committee** deems appropriate. The report to the **Board** of Directors may take the form of an oral report by the chairperson of the **Committee** or any other designated member of the **Committee**.



3. Duties and Responsibilities

3.1 Oversight of the Independent Auditor

- (a) Sole authority to recommend to the **Board** for its approval, the appointment or replacement of the independent auditor and its compensation (subject to shareholder ratification) and responsibility for the oversight of the work of the independent auditor (including resolution of disagreements between company management ("**Management**") and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the **Committee**;
- (b) Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor;
- (c) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the **Corporation**, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence;
- (d) Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to address any such issues; and all relationships between the independent auditor and the **Corporation**;
- (e) Review and discuss with **Management** and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit;
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law; and
- (g) Review as necessary policies for the **Corporation's** hiring of partners, employees or former partners and employees of the independent auditor.

3.2 Financial Reporting

- (a) Review and discuss with **Management** and the independent auditor the annual audited financial statements prior to the publication of earnings.
- (b) Review and discuss with **Management** the **Corporation's** annual and quarterly disclosures made in **Management's** Discussion and Analysis. The **Committee** shall approve any reports for inclusion in the **Corporation's** Annual Information Form, as required by applicable law.
- (c) Review and discuss with **Management** and the independent auditor **Management's** report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on **Management's** assessment, if required.
- (d) Review and discuss with **Management** the **Corporation's** quarterly financial statements prior to the publication of earnings.



- (e) Review and discuss with **Management** and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the **Corporation's** financial statements, including any significant changes in the **Corporation's** selection or application of accounting principles, any major issues as to the adequacy of the **Corporation's** internal controls and any special steps adopted in light of material control deficiencies.
- (f) Review and discuss with **Management** and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with **Management**, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and **Management**, such as any management letter or schedule of unadjusted differences.
- (g) Discuss with the independent auditor at least annually any "Management" or "internal control" letters issued or proposed to be issued by the independent auditor to the **Corporation**.
- (h) Review and discuss with **Management** and the independent auditor at least annually any significant changes to the **Corporation's** accounting principles and practices suggested by the independent auditor, internal audit personnel or **Management**.
- (i) Discuss with **Management** the **Corporation's** earnings press releases, including the use of "*pro forma*" or "adjusted" non-GAAP information, as well as financial information and earnings and revenue guidance (if any) provided to analysts and rating agencies.
- (j) Review and discuss with **Management** and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the **Corporation's** financial statements.
- (k) Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- (l) Review disclosures made by the **Corporation's** Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the **Corporation's** ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving **Management** or other employees who have a significant role in the **Corporation's** internal controls.
- (m) Discuss with the **Corporation's** Corporate Secretary at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the **Corporation** or any of its subsidiaries from regulators or governmental agencies.



3.3 Oversight of Risk Management

- (a) Review and approve periodically Management's risk philosophy and risk management policies.
- (b) Review with **Management** at least annually reports demonstrating compliance with risk management policies.
- (c) Review with **Management** the quality and competence of **Management** appointed to administer risk management policies.
- (d) Review reports from the independent auditor at least annually relating to the adequacy of the **Corporation's** risk management practices together with **Management's** responses.
- (e) Discuss with **Management** at least annually the **Corporation's** major financial risk exposures and the steps **Management** has taken to monitor and control such exposures, including the **Corporation's** risk assessment and risk management policies.

3.4 Oversight of Regulatory Compliance

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the **Corporation** regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Discuss with **Management** and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the **Corporation's** financial statements or accounting.
- (c) Meet with the **Corporation's** regulators, according to applicable law.
- (d) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the **Committee** by the **Board**.

4. Funding for the Independent Auditor and Retention of Other Independent Advisors

The **Corporation** shall provide for appropriate funding, as determined by the **Committee**, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the **Committee**. The **Committee** shall also have the authority to retain and, at **Bitfarms'** expense, to set and pay the compensation for such other independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes. The **Committee** also has the authority to communicate directly with internal and external auditors.

5. Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

- (a) The **Corporation** has adopted a Whistleblower Policy (the "**Whistleblower Policy**"), copies of which shall be made available to directors, officers, employees, consultants and contractors of the Company, either directly or by posting to the **Bitfarms** website at www.bitfarms.com. The **Corporation** shall inform employees on the **Corporation's** intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, about the Whistleblower Policy. Pursuant to the Whistleblower Policy, any person with a complaint or concern regarding a financial matter (or other matter relating to the **Corporation**) may submit anonymous complaints or concerns via an independent third-party platform (the "**Complaints Platform**") available at <http://bitfarms.ethicspoint.com/> or <http://bitfarmsmobile.ethicspoint.com/> or by telephone at 1-844-992-4862 toll-free, within the United States, Guam, Puerto Rico and Canada which are accessible 24 hours a day, 7 days a week.



- (b) The **Committee** will ensure the Whistleblower Policy provides review procedures for: (a) the receipt, retention and resolution of complaints received by the listed issuer regarding accounting, internal accounting controls, or auditing matters; and (b) The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (c) Upon receipt of a report from through the Whistleblower reporting mechanism, the **Committee** shall discuss the report and take such steps as the **Committee** may deem appropriate. Any reports so received will be kept confidential and the identity of employees making complaints or submissions shall only be communicated to the **Committee** or the Chair of the **Committee**.
- (d) Such reports or submissions shall be reported to the **Committee** as frequently as the **Committee** deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meetings of the **Committee** called to approve interim and annual financial statements of the **Corporation**.
- (e) The **Committee** will inform the **Board** of the filed complaints or concerns at regularly scheduled meetings (unless they are unfounded or unless the materiality of the complaint requires earlier action).
- (f) The Chair of the **Committee**, or other person designated by such, shall retain a record of complaint or submission received for a period of six years following resolution of the complaint or submission.

6. Procedures for Approval of Non-Audit Services

- 6.1** The **Corporation's** external auditors shall be prohibited from performing for the **Corporation** the following categories of non-audit services:
- (a) bookkeeping or other services related to the **Corporation's** accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
- 6.2** In the event that the **Corporation** wishes to retain the services of the **Corporation's** external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the **Corporation** shall consult with the Chair of the **Committee**, who shall have the authority to approve or disapprove on behalf of the **Committee**, such non-audit services. All other non-audit services shall be approved or disapproved by the **Committee** as a whole.



6.3 The Chief Financial Officer of the **Corporation** shall maintain a record of non-audit services approved by the Chair of the **Committee** or the **Committee** for each fiscal year and provide a report to the **Committee** no less frequently than on a quarterly basis.

7. Reporting

The Chair will report to the **Board** at each **Board** meeting on the **Committee's** activities since the last **Board** meeting. The **Committee** will annually review and approve the **Committee's** report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the **Committee** to the members of the **Board**.

8. Access to Information and Authority

The **Committee** will be granted unrestricted access to all information regarding **Bitfarms** that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

9. Review of Charter

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

Dated: June 12, 2019
Revised & Updated: March 24, 2022
Revised & Updated: December 11, 2023
Approved by: Board of Directors