

NASDAQ STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

March 25th, 2021

As a “foreign private issuer” under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Digihost Technology Inc. (the “**Company**”) is permitted, pursuant to Nasdaq Stock Market Rule 5615(a)(3), to follow its home country practice in lieu of certain Nasdaq corporate governance standards provided that it discloses and describes the differences between its corporate governance practices and those required by Nasdaq. Below we describe the differences between the Nasdaq Stock Market Rules and the applicable home country requirement. References to a “Rule” below are references to the referenced rule in the Nasdaq Stock Market Rules.

Meeting of Board of Directors

Rule 5605(b)(2) requires that “Independent Directors” (as defined by Nasdaq) must have regularly scheduled meetings at which only such “Independent Directors” are present. The Company does not have mandated meetings of its independent directors. However, its independent directors hold meetings without management present as deemed necessary from time to time. The Company’s Governance & Nomination Committee Charter and Compensation Committee Charter provide the Chair of each of the Governance and Nomination Committee and the Compensation Committee must be an independent director, and a majority of each of those committees’ members must be independent.

Content of Audit Committee Charter

Rule 5605(c)(1) requires that the formal written audit committee charter of an issuer specifies the audit committee’s responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor. The Company’s Audit Committee Charter requires the Committee shall assess the independent auditor’s performance, qualifications, and independence and pre-approve all audit services as well as any non-audit services to be provided by the independent auditor.

Audit Committee Composition

Audit Committee Composition Rule 5605(c)(2) requires that each issuer certifies that it has, and will continue to have, an audit committee with at least three members each of whom meet the requirement for independence set forth in in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934 (the “Act”), subject to the exemptions provided in Rule 10A-3(c) under the Act. These exemptions provide, among other things, that a minority of the members of the audit committee may be exempt from the independence requirements for one year from the date of effectiveness of the Company’s U.S. registration statement. Additionally, Nasdaq rules provide that an issuer’s audit committee must have at least one member of the audit committee who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Company’s Audit Committee Charter requires that all members shall satisfy the applicable independence and

experience requirements of the laws governing the Company, the applicable stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities. The Company currently relies on the exemptive relief provided by the exemptions in Rule 10A-3(c) under the Act as one member of the audit committee is not independent. The Company will transition to an audit committee comprised of all independent committee members by no later than November 12, 2022, being one year from the date the Company's U.S. registration statement became effective. Each member of the Committee is required under the Committee's charter to be financially literate as such qualification is interpreted by the board of directors in its business judgement.

Content of Compensation Committee Charter

Rule 5605(d)(1) requires that the formal written compensation committee charter of an issuer specifies that the compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee only after taking into consideration the specific factors enumerated in Rule 5605(d)(3)(D). The Company's Governance, Nomination & Compensation Committee Charter provides the Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities and does not require the Committee to first consider the factors enumerated in Rule 5605(d)(3)(D).

Compensation Committee Compensation

Under Rule 5605(d)(2), subject to limited exceptions, the compensation committee must be composed of at least two members, each of whom must be an independent director. The Company's Governance & Nomination Committee Charter and Compensation Committee Charter provides that the Company's Compensation Committee will consist of at least three directors. A majority of the members will meet the criteria for independence as established by applicable laws and the rules of stock exchanges upon which the Company's securities are listed. Each independent director will be free of any relationship which could, in the view of the board, reasonably interfere with the exercise of a committee member's independent judgement.

Nomination Committee Composition

Under Rule 5605(e), director nominees must either be selected, or recommended for a board of directors' selection, either by: (i) Independent Directors constituting a majority of the board's independent directors in a vote in which only Independent Directors participate; or (ii) a nominees committee comprised solely of Independent Directors. The Company's Governance & Nomination Committee Charter and Compensation Committee Charter provides that the board will appoint at least three (3) directors to the Company's Governance and Nomination Committee, a majority of which will meet the criteria for independence as established by applicable laws and the rules of stock exchanges upon which the Company's securities are listed.

Proxy Solicitations

Under Rule 5620(b), a listed company that is not a limited partnership must solicit proxies and provide proxy statements for all meetings of shareholders, and also provide copies of such proxy solicitation materials to Nasdaq. The Company solicits proxies in accordance with applicable rules and regulations in Canada. The Company is a "foreign private issuer" as

defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act.

Shareholder Meeting Quorum Requirement

Rule 5620(c) provides that the minimum quorum requirement for a meeting of shareholders is 33 1/3% of the outstanding common voting shares. The Company follows the requirements under applicable Canadian corporate law with respect to quorum requirements, which allows the Company to specify a quorum requirement in its by-laws. Pursuant to the Company's by-laws, a quorum for any meeting of shareholders is two holders of shares entitled to vote at a meeting of shareholders, whether present in person or represented by proxy.

Shareholder Approval Requirements

Rule 5635 requires that shareholder approval be required for the Company to issue securities in connection with certain events, such as the acquisition of shares or assets of another company, a change in control of the company, the establishment of or amendments to equity-based compensation plans for employees, rights issues at or below market price, certain private placements, directed issues at or above market price and the issuance of convertible notes. Neither Canadian securities laws nor Canadian corporate law require shareholder approval for such transactions, except where such transactions constitute a "related party transaction" or "business combination" under Canadian securities laws or where such transactions are structured in a way that requires shareholder approval under the Canada Business Corporations Act, or where the TSX Venture Exchange requires the shareholder approval for the establishment of or amendments to equity-based compensation plans, in which case, the Company intends to follow its home country requirements.