

SolarEdge Technologies (UK) Limited

Tax Strategy

Scope

SolarEdge Technologies (UK) Limited (the “Company”) is a private limited company incorporated in the United Kingdom. The Company’s ultimate parent is SolarEdge Technologies, Inc. (“SolarEdge Inc.”), a public company registered in the United States and listed on NASDAQ.

This tax strategy document applies to the Company and to its direct subsidiary, Gamatronic (UK) Limited (collectively, together with the Company, the “Group”), all in accordance with article 19 of Schedule 19 to the United Kingdom Finance Act 2016 (“Schedule”). This strategy is being published in accordance with paragraph 19(4) of the Schedule.

This strategy applies from the date of its publication until it is superseded. References to ‘UK Taxation’ are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax and Stamp Duty Land Tax. References to ‘tax’, ‘taxes’ or ‘taxation’ are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Group has legal responsibilities.

Aim

The primary responsibility of the Group in relation to taxation is to ensure compliance with all applicable legal obligations within a framework of an agreed principles. The Group must therefore be satisfied that any tax initiative undertaken is legal.

The Group is committed to full compliance with all applicable statutory obligations and full disclosure to relevant tax authorities. The Group’s tax affairs are managed in a way which takes into account the Group’s wider corporate reputation in line with SolarEdge Inc. overall high standards of governance.

Governance in Relation to UK taxation

- Ultimate responsibility for the Group’s tax strategy and compliance rests with the respective board of directors of each entity (“Board”);
- The Board ensures that the tax strategy will be considered in all relevant investments and upon taking significant business decisions.

Risk Management

- The Group operates a system of tax related risk assessments and controls as part of the overall internal control framework applicable to the Group’s financial reporting system;
- The Group seeks to reduce the level of tax risk arising from its operations as far as reasonably practicable, by ensuring that reasonable care is applied in relation to all processes, which could materially affect its compliance with applicable tax obligations;

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USA | Germany | UK | Italy | Benelux | Japan | China | Australia
Israel | India | France | Turkey | Korea | Sweden | Bulgaria | Taiwan

- Processes relating to different taxes and duties are allocated to appropriate process owners, who review applicable activities and processes in order to identify key risks and placing controls in order to mitigate such risk. The key risks are monitored and revisited for business and regulatory changes, which may impact them. Changes to processes or controls are made when the Group deems required;
- The Group, as a part of a larger multinational group being a dynamic business developing new innovative technologies, may encounter uncertainty in respect of the taxation treatment of our products or transactions. This can give rise to risk with respect to the application or interpretation of complex tax legislation. Accordingly, the Group routinely seek external professional guidance to reduce such uncertainty when required.

Attitude towards Tax Planning and Level of Risk

The Group manages risks to ensure compliance with applicable legal requirements in a manner which ensures payment of the right tax amount.

When entering into commercial transactions, the Group takes into consideration available tax incentives, reliefs and exemptions in line with, and in accordance, applicable tax legislation.

The level of risk which the Group accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Group's tax affairs. At all times, the Group seeks to comply with applicable regulatory and other obligations applicable to the Group and to act in a way which upholds its reputation as a responsible corporate citizen.

The Group's tax strategy and policies takes into consideration appropriate tax reliefs and to control the Group's tax costs. Whilst seeking to minimise tax liabilities for the benefit of its customers and shareholders, the Group's policy is not to take an aggressive interpretation of tax legislation, or use of artificial tax avoidance schemes.

The Group will always seek to interpret tax legislation consistently with both the spirit and intention of the law. The Group will not enter into transactions wholly motivated by tax avoidance or into transaction with no economic benefit to the Group other than tax savings. Management shall not seek to exploit tax regimes considered to be harmful or secretive.

In relation to any specific issue or transaction, the Board is responsible for identifying the risks, including tax risks, which need to be addressed. The Board will also be responsible for determining what actions should be taken to manage those risks, the taking into consideration the amounts and materiality of obligations in question.

Relationship with HM Revenue & Customs ("HMRC")

The Group seeks to have a transparent and constructive relationship with HMRC by complying with all disclosure requirements in respect of developments in the Group's business, current, future and retrospective tax risks, and interpretation of the law in relation to all relevant taxes.

When submitting tax computations and returns to HMRC, the Group discloses all relevant facts and identifies any transactions or issues in which it considers that there is potential for the tax treatment uncertainty.



Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified.

Wider Contribution to the UK Economy

To form a full view of the Group's tax contribution to the UK economy in a proper perspective, the Group's overall fiscal and economic contribution should be taken into account.

While the reporting of companies' tax affairs most commonly focuses on Corporation Tax, other taxes, duties and contributions to the UK government are also paid by the Group for example, Employers' National Insurance contributions, Customs Duty etc.