

# / SolarEdge: Our Approach to Taxation

## Introduction

At SolarEdge, we believe that it is our duty to balance the need to minimize tax payments for the benefit of our shareholders while strictly complying with relevant legislation and pay taxes in line with our corporate obligation as part of our overall ethical conduct and business integrity. We support public policy that is clear, fair and equitable in terms of taxation legislation, and we are committed to paying our fair share. Our approach to taxations applies to all the jurisdictions in all the countries where we do business and are required to pay tax.

## Our Approach

### Tax Governance and Compliance

Our primary objective in terms of taxation is to minimize the company tax burden while maintaining full compliance in every jurisdiction in which we operate and aiming to apply the highest standards of tax accounting, tax filing, payment and reporting.

Taxation at SolarEdge is overseen by our Chief Financial Officer (CFO) who is responsible for ensuring the Company is aware of its taxation obligations, able to execute its taxation accounting, payments and commitments in an efficient, timely and compliant manner. Our tax department, overseen by our CFO, practices transparent internal reporting of taxation to our Board of Directors and to the Audit Committee of the Board of Directors at regular prescribed intervals. Our taxation specialists, supported by external advisors, are continuously updated in changes to taxation legislation in all our jurisdictions, and implement required changes accordingly across the business in line with approval protocols and authorizations.

### Tax Planning, Transfer Pricing and Risk

Our tax specialists within our finance function engage and partner with our relevant business units to ensure all aspects of taxation planning and risk are understood and incorporated as appropriate into business decisions and in line with our business objective. We apply the arm's length principle in relation to transfer pricing and operate in line with a low risk appetite tax approach, aiming to conduct our business in a way that minimizes the exposure of SolarEdge to potential taxation uncertainties.

### Relationship with Tax Authorities

We maintain collaborative relationships with all tax authorities in our countries of operation and cooperate respectfully and willingly with tax inspections and audits of our business. We aim to be transparent and disclose all relevant matters as required by law.

Equally, we recognize our legitimate right to hold a different interpretation of our tax obligations than those presented by a given tax authority, and in such cases, we aim to engage professionally and amicably to resolve differences. In all cases, we seek to discharge our duty as a good corporate citizen with regard to taxation and comply with the law – differences in interpretation arise based on professional analysis and interpretation of taxation laws.

## Validity

This Approach to Taxation is endorsed by SolarEdge's Board of Directors and Executive Team. It is supported by internal procedures and reporting mechanisms that support effective implementation.

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