



# SolarEdge: Our Approach to Taxation

## Introduction

At SolarEdge, we believe that it is our duty to pay the appropriate taxes in each jurisdiction we operate in, as part of our overall ethical conduct and business integrity. We support clear, fair and equitable public tax policy and legislation, and we are committed to paying our fair share. Our approach to taxation 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 ensure we pay the appropriate amount of taxes in each jurisdiction we operate in, maintaining full compliance with the spirit, as well as the letter, of relevant laws. We achieve that by applying high standards of tax accounting, tax filing, payment and reporting.

Our Chief Financial Officer (CFO) and our VP of Tax are responsible for our tax policy and the management of our taxes. Our tax department, overseen by our VP of Tax, 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. The compensation of our tax team members is not directly linked to cash or book taxes incurred by the Company.

### Tax Planning, Transfer Pricing and Risk

Our tax specialists 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 objectives. 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 tax uncertainties. Furthermore, we do not use tax structures that are not aligned with the business and commercial activities of the group.

### Relationship with Tax Authorities

We strive to maintain collaborative relationships with all the 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.



Concurrently, the tax rules in the jurisdictions in which we operate are diverse and often complex, and subject to different interpretations by both the taxpayers and the tax authorities. 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.

## 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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