

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS2](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on February 18, 2015.

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SOLAREEDGE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or
organization)

3674
(Primary Standard Industrial
Classification Code Number)

20-5338862
(I.R.S. Employer
Identification Number)

**6 HeHarash St., PO Box 7349
Hod Hasharon 45240, Israel
972 (9) 957-6620**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Guy Sella
Chief Executive Officer and Chairman of the Board
SolarEdge Technologies, Inc.
47505 Seabridge Drive
Fremont, CA 94538
(877) 360-5292

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**John T. Gaffney
Andrew L. Fabens**
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
(212) 351-4000

Rachel Prishkolnik
Vice President, General
Counsel
and Corporate Secretary
SolarEdge Technologies, Inc.
6 HeHarash St., PO Box 7349
Hod Hasharon 45240, Israel
972 (9) 957-6620

**Warren T. Lazarow
Daniel A. O'Shea**
O'Melveny & Myers LLP
Times Square Tower
7 Times Square
New York, NY 10036
(212) 326-2000

**Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, par value \$0.0001 per share	\$125,000,000.00	\$14,525.00

- (1) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (2) Includes shares subject to the underwriters' option to purchase additional shares.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated _____, 2015

Shares



SolarEdge Technologies, Inc.

Common Stock

This is an initial public offering of shares of common stock of SolarEdge Technologies, Inc.

SolarEdge is offering _____ shares to be sold in the offering.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ _____ and \$ _____. We intend to list our common stock on the NASDAQ Global Market under the symbol "SEDG."

We are an "emerging growth company" as defined under the U.S. federal securities laws, and, as such, may elect to comply with certain reduced public company reporting requirements for this and future filings.

See "Risk Factors" beginning on page 12 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discount(1)	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

(1) See "Underwriting" for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than _____ shares of common stock, the underwriters have the option to purchase up to an additional _____ shares at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on or about _____.

Goldman, Sachs & Co.

Deutsche Bank Securities

Needham & Company

Canaccord Genuity

Roth Capital Partners

Prospectus dated _____, 2015

TABLE OF CONTENTS

	<u>Page</u>
Important Information about this Prospectus	i
Prospectus Summary	1
Risk Factors	12
Special Note Regarding Forward-Looking Statements and Market Data	34
Use of Proceeds	36
Dividend Policy	37
Capitalization	38
Dilution	40
Selected Consolidated Financial and Other Data	43
Management's Discussion and Analysis of Financial Condition and Results of Operations	46
Industry Overview	76
Business	83
Management	103
Executive Compensation	110
Principal Stockholders	121
Certain Relationships and Related Party Transactions	124
Description of Indebtedness	128
Description of Capital Stock	129
Shares Available for Future Sale	136
Material U.S. Federal Income Tax Considerations	139
Underwriting	142
Legal Matters	148
Experts	148
Where You Can Find Additional Information	148
Index to the Consolidated Financial Statements	F-1

Through and including (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

We and the underwriters have not authorized anyone to provide you with information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and

observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

We use market data and industry forecasts and projections throughout this prospectus, and in particular in the sections captioned "Prospectus Summary," "Industry Overview" and "Business." We have obtained the market data from certain third-party sources of information, including publicly available industry publications and subscription-based publications. Industry forecasts are based on industry surveys and the preparer's expertise in the industry and there can be no assurance that any of the industry forecasts will be achieved. We believe these data are reliable, but we have not independently verified the accuracy of this information. Any industry forecasts are based on data (including third-party data), models and experience of various professionals and are based on various assumptions, all of which are subject to change without notice. While we are not aware of any misstatements regarding the market data presented herein, industry forecasts and projections involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors."

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. It does not contain all of the information that may be important to you and your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including the matters set forth under the sections of this prospectus captioned "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

Unless the context otherwise requires, the terms "Company," "SolarEdge," "we," "us" or "our" in this prospectus refer to SolarEdge Technologies, Inc. and, where appropriate, its subsidiaries.

Our fiscal year ends on June 30. Unless otherwise noted, any reference to a year in this prospectus preceded by the word "fiscal" refers to the fiscal year ended June 30 of that year. For example, references to "fiscal 2014" refer to the fiscal year ended June 30, 2014. Any reference to a year not preceded by "fiscal" refers to a calendar year.

Our Company

Overview

We have invented an intelligent inverter solution that has changed the way power is harvested and managed in a solar photovoltaic ("PV") system. Our direct current ("DC") optimized inverter system maximizes power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. Our system consists of our power optimizers, inverters and cloud-based monitoring platform and addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations. Since we began commercial shipments in 2010, we have shipped approximately 1.2 gigawatts ("GW") of our DC optimized inverter systems and our products have been installed in solar PV systems in 73 countries.

Historically, the solar PV industry used traditional string and central inverter architectures to harvest PV solar power. However, traditional inverter architectures result in energy losses as well as systemic challenges in design flexibility, safety and monitoring. More recently, microinverter technology was introduced in an attempt to resolve these challenges, but this technology has certain inherent limitations. We believe that our DC optimized inverter system, consisting of an inverter and distributed power optimizers, best addresses all of these challenges.

Our system allows for superior power harvesting and module management by deploying power optimizers at each PV module while maintaining a competitive system cost by keeping the alternating current ("AC") inversion and grid interaction centralized using a simplified DC-AC inverter. The entire system is monitored through our cloud-based monitoring platform that enables reduced system operation and maintenance ("O&M") costs. Our system enables each PV module to operate at its own maximum power point ("MPP"), rather than a system-wide average, enabling dynamic response to real-world conditions, such as atmospheric conditions, PV module aging, soiling and shading and offering improved energy yield relative to traditional inverter systems. In addition to higher efficiency, our system's installed cost per watt is competitive with traditional inverter systems of leading manufacturers and generally lower than comparable microinverter systems of leading manufacturers. Furthermore, our architecture allows for complex rooftop system designs and enhanced safety and reliability. Our technology and system architecture are protected by 39 awarded patents and 136 patent applications filed worldwide.

We primarily sell our products directly to large solar installers and engineering, procurement and construction firms ("EPCs") and indirectly to thousands of smaller solar installers through large distributors and electrical equipment wholesalers. Our customers include leading providers of solar

PV systems to residential and commercial end users such as SolarCity Corporation ("SolarCity"), SunRun Inc. and Vivint Solar, Inc. We sell to key sole distributors and electrical equipment wholesalers such as AliusEnergy BV, Krannich Solar Group ("Krannich"), Segen Ltd. and Soligent Distribution, LLC. We also sell our power optimizers to several PV module manufacturers that offer PV modules with our power optimizer physically embedded into their modules.

We were founded in 2006 and began commercial shipments in 2010. As of December 31, 2014, we have shipped approximately 4.5 million power optimizers and 201,000 inverters. Approximately 95,000 installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. Our revenue grew from \$79.0 million in fiscal 2013 to \$133.2 million in fiscal 2014. Our revenue grew from \$58.1 million in the first six months of fiscal 2014 to \$140.3 million in the first six months of fiscal 2015. Our gross margin increased from 5.6% in fiscal 2013 to 16.5% in fiscal 2014, and increased from 12.1% in the first six months of fiscal 2014 to 21.3% in the first six months of fiscal 2015. However, although our net income and cash flow from operating activity were positive for the six months ended December 31, 2014, we have a history of losses and negative cash flow from operating activity, including an accumulated deficit of \$135.2 million as of December 31, 2014 and incurred net losses of \$28.2 million in fiscal 2013 and \$21.4 million in fiscal 2014. Net income for the first six months of fiscal 2015 was \$5.9 million, compared with a net loss of \$13.1 million in the first six months of fiscal 2014.

Market Opportunity

Annual installed capacity of the global solar market is expected to grow from 34.6 GW in 2013 to 59.6 GW in 2017, representing a compound annual growth rate ("CAGR") of 14.6%. Growth in PV inverter installations in key residential markets like the U.S. and China is expected to remain strong with expected CAGRs of 19.0% and 11.3%, respectively, during the same period, according to IHS Inc. ("IHS"). According to IHS, the global inverter market accounted for approximately \$6.9 billion in revenues in 2013 and is expected to grow at a CAGR of 3.1% to reach approximately \$7.8 billion in revenues in 2017. Notwithstanding the foregoing, the solar industry has historically been cyclical and has experienced periodic downturns, including downward pricing pressure for PV modules, mainly as a result of overproduction.

Within the global solar market, shipments of module level power electronics ("MLPE"), such as our power optimizers, are expected to double from 2012 through 2014. In 2013, these technologies were used in 59% of the residential installations in the U.S., one of our largest markets. Ongoing growth in the solar industry, combined with this accelerating transition within the industry to MLPE, is driving significant growth in the MLPE market that is significantly outpacing the overall industry growth. According to GTM Research, a division of Greentech Media, Inc. ("GTM Research"), annual global shipments of MLPE are expected to grow from approximately 1 GW of annual installed capacity globally in 2013 to approximately 5 GW in 2017, representing a CAGR of 46.0%, and industry revenues are expected to grow from approximately \$326 million to approximately \$957 million over the same time period. DC optimizers are expected to account for 57% of the cumulative MLPE market (as measured by megawatt ("MW") capacity shipped) between 2013 and 2017, with market share expected to grow at a 47.6% CAGR over the same time period.

The SolarEdge Solution

Our DC optimized inverter system maximizes power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. Our solution addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations.

The key benefits of our solution include:

- **Maximized PV module power output.** Our power optimizers provide module-level MPP tracking and real-time adjustments of current and voltage to the optimal working point of each individual PV module. This enables each PV module to continuously produce its maximum power potential independent of other modules in the same string, thus minimizing module mismatch and partial shading losses.
- **Optimized architecture with economies of scale.** Our system shifts certain functions of the traditional inverter to our power optimizers while keeping the DC to AC function and grid interaction in our inverter resulting in a smaller, more efficient, more reliable and less expensive inverter. The cost savings that we have achieved on the inverter enable our system to be priced at a cost per watt that is comparable with traditional inverter systems of leading manufacturers. As a PV system grows in size, our inverter benefits from economies of scale, making our technology economically viable for large commercial and utility-scale applications.
- **Enhanced system design flexibility.** Our system allows significant design flexibility by enabling the installer to place PV modules in uneven string lengths and on multiple roof facets. This design flexibility increases the amount of the available roof that can be utilized for power production and enables an installer to compensate or adjust for most unexpected shading or other obstructions encountered in the installation without materially changing the original design or requiring a modification to the customer contract.
- **Reduced balance of system costs.** Our DC optimized inverter system allows significantly longer strings to be connected to the same inverter (as compared to a traditional inverter system) which reduces the balance of system ("BoS") costs by minimizing the cost of cabling, fuse boxes and other ancillary electric components. These factors together result in easier installation with shorter design times and a lower initial cost per watt.
- **Continuous monitoring and control to reduce operation and maintenance costs.** Our cloud-based monitoring platform provides full data visibility at the module level, string level, inverter level and system level. These monitoring features reduce O&M costs for the system owner by identifying and locating faults, enabling remote testing and reducing field visits.
- **Enhanced safety.** We have incorporated module-level safety mechanisms in our system to protect installers, electricians and firefighters. Each power optimizer is configured to automatically reduce output voltage to a safe level unless the power optimizer receives a fail-safe signal from a functioning inverter. In recent years, new safety standards have been introduced in the U.S. and in Europe that require or encourage the installation of safety measures such as these.
- **High reliability.** We have designed our system to meet the stringent requirements of outdoor solar PV installations. Our power optimizers dissipate much less heat than microinverters because no DC-AC inversion occurs at the module level. As a result, we believe that our power optimizers offer superior lifetime expectancy and reliability relative to other MLPE products. Further, we use automotive-grade application-specific integrated circuits ("ASICs") that embed many of the required electronics into the ASIC. This reduces the number of components and consequently the potential points of failure.

Our Competitive Strengths

We believe the following strengths of our business distinguish us from our competitors, enhance our leadership position in MLPE and position us to capitalize on the expected continued growth in the solar PV market:

- **Innovative DC optimized inverter system enables superior results.** Our system offers significant design and operating benefits relative to traditional inverter architecture, including increased energy yield, design flexibility, enhanced safety and lower O&M costs throughout the life of the system. Our system also offers significant design and operating benefits relative to microinverter architecture, including a lower initial cost per watt, economies of scale for larger systems, broader module compatibility and higher reliability.
- **Industry leading solution in the fastest growing segment of the solar market.** We are the leader in the global MLPE market according to GTM Research, with strong brand and product recognition and a technologically superior solution. Our annual product sales have grown rapidly from approximately 8,400 inverters and 181,000 power optimizers in fiscal 2011, our first full fiscal year of commercial shipments, to annual product sales exceeding 61,000 inverters and 1.3 million power optimizers in fiscal 2014. According to GTM Research, our 2013 shipments represented a 42% market share in the MLPE market (as measured by MW capacity shipped), and our share of the United States residential market grew from 1.7% in 2012 to 13.1% in 2013, and to 26.2% for the nine months ended September 30, 2014.
- **Experienced technology team focused on continuous innovation.** We have successfully introduced three generations of power optimizers and two generations of inverters in less than six years, and plan to release new generations of power optimizers and inverters in the coming years. Our multidisciplinary team of engineers, with expertise across all relevant fields, including semiconductors, power electronics and software engineering, enables us to develop products rapidly, with designs optimized for efficient and automated manufacturing and superior reliability. We believe that our combination of engineering and operational expertise will enable us to continue to increase functionality, compatibility and reliability while reducing the cost of our solution.
- **Established global sales channels anchored with top tier customers.** We sell our products directly to large installers and EPC contractors. We also reach thousands of smaller installers indirectly by selling to leading solar PV distributors and electrical equipment wholesalers to reach all segments of the residential and commercial markets.
- **Strong management team.** Our founders and executive officers bring extensive multidisciplinary experience in technology and business. A significant portion of the management team's joint tenure extends well beyond the founding of SolarEdge, with our core founding group and our technology management team having worked together for more than 15 years. This introduces a level of stability that is a competitive advantage in our ability to attract a highly-talented pool of experienced engineers and seasoned industry professionals.

Our Strategy

Our mission is to become the leading provider of intelligent inverter solutions across all solar PV market segments enabling the availability of cost-effective, clean, renewable solar energy worldwide. Key elements of our strategy include:

- **Continue to innovate and advance our solutions.** We invented the DC power optimized inverter system for PV modules. We intend to continue to innovate with respect to our

inverters and power optimizers to develop new and enhanced technologies and solutions that will further enhance our leadership position. We believe that our future technology will continue to significantly reduce cost and improve the intelligence and competitiveness of our offering. In addition, we believe that our investment in advanced manufacturing technologies will further improve quality and reliability while reducing cost.

- **Further penetrate our existing markets.** We intend to increase market share with our existing customers by offering application programming interfaces for processes such as inventory management and billing integration, and expanding our services and training initiatives. We further intend to hire additional sales and marketing personnel focused on growing our new customer base in our existing markets. We intend to continue to expand our product portfolio by developing inverters with the higher power ratings required by large commercial and utility-scale systems, reducing overall system cost and adding features to our cloud-based monitoring software.
- **Continue to grow our global presence.** We plan to expand our global footprint and drive sales by ensuring the compatibility of our products with additional local grid codes, and further penetrating and growing our network of installers, distributors, wholesalers, EPCs and PV module manufacturers. We are implementing a detailed sales and marketing strategy and training programs to address the specific characteristics of new markets and are in the process of hiring professionals to execute these market strategies.
- **Leverage our technology to enter adjacent markets.** Our technology has other potential applications for the regulation and management of energy sources, such as energy storage. For example, our power optimizer can be used to maximize and stabilize battery storage systems, thereby improving system performance, life expectancy and safety. In addition, our cloud-based monitoring solution may in the future be used for smart grid applications, such as demand response and energy efficiency applications and home automation systems.

Summary Risk Factors

Our business and our ability to execute our strategy are subject to many risks. Before making a decision to invest in our common stock, you should carefully consider all of the risks and uncertainties described in the section of this prospectus captioned "Risk Factors" immediately following the Prospectus Summary and all of the other information in this prospectus. These risks include, but are not limited to the following:

- We have a history of losses which may continue in the future, and we cannot be certain that we will achieve or sustain profitability.
- Our limited operating history makes it difficult to evaluate our current business and future prospects.
- If demand for solar energy solutions does not continue to grow or grows at a slower rate than we anticipate, our business will suffer.
- The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for solar PV systems and harm our business.
- A drop in the retail price of electricity derived from the utility grid or from alternative energy sources may harm our business, financial condition, results of operations and prospects.
- An increase in interest rates or tightening of the supply of capital in the global financial markets could make it difficult for customers to finance the cost of a solar PV system and could reduce the demand for our products.

- The market for our products is highly competitive and we expect to face increased competition as new and existing competitors introduce power optimizer, inverter and solar PV system monitoring products, which could negatively affect our results of operations and market share.
- Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our offerings.
- Our industry has historically been cyclical and experiences periodic downturns.
- Defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products.
- If we do not forecast demand for our products accurately, we may experience product shortages, delays in product shipment, excess product inventory, or difficulties in planning expenses, which will adversely affect our business and financial condition.
- We are dependent on ocean transportation to deliver our products in a cost efficient manner. If we are unable to use ocean transportation to deliver our products, our business and financial condition could be materially and adversely impacted.
- We depend upon a small number of outside contract manufacturers. Our operations could be disrupted if we encounter problems with these contract manufacturers.
- We depend on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand. Due to the limited number of such suppliers, any cessation of operations or production or any shortage, delay, price change, imposition of tariffs or duties or other limitation on our ability to obtain the components and raw materials we use could result in sales delays, cancellations and loss of market share.
- If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.
- If we fail to protect, or incur significant costs in defending, our intellectual property and other proprietary rights, our business and results of operations could be materially harmed.
- The loss of, or events affecting, one of our major customers could reduce our sales and have a material adverse effect on our business, financial condition and results of operations.
- Our planned expansion into new markets could subject us to additional business, financial and competitive risks.
- We may not be able to raise additional capital to execute on our current or future business opportunities on favorable terms, if at all, or without dilution to our stockholders.
- Conditions in Israel affect our operations and may limit our ability to develop, produce and sell our products.
- We do not intend to pay any cash dividends on our common stock in the foreseeable future.
- Our stock price may fluctuate.

Corporate Information and History

We were incorporated in Delaware in 2006. Our principal executive offices are located at 6 HeHarash St., PO Box 7349, Hod Hasharon 45240, Israel and our telephone number at this

address is 972 (9) 957-6620. Our website is www.solaredge.com. Information contained in, or accessible through, our website is not a part of, and is not incorporated into, this prospectus.

"SolarEdge" is the trademark of SolarEdge Technologies, Inc. in the U.S. and certain other countries. This prospectus also includes other trademarks of SolarEdge, our partners and other persons. All trademarks or trade names referred to in this prospectus are the property of their respective owners.

We are an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012, (the "JOBS Act"). As such, we are eligible and may choose to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), exemption from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Following this offering, we will continue to be an emerging growth company until the earliest to occur of (i) the last day of the fiscal year during which we had total annual gross revenues of at least \$1 billion (as indexed for inflation), (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of common stock under this registration statement, (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt or (iv) the date on which we are deemed to be a "large accelerated filer," as defined under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Offering

Common stock offered by us	shares
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to additional shares of our common stock from us at the initial public offering price less the underwriting discount.
Common stock to be outstanding after this offering	shares (or shares, if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	<p>We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$ (or \$ if the underwriters exercise in full their option to purchase additional shares of common stock from us), based on the assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.</p> <p>We anticipate that we will use the net proceeds of this offering primarily for general corporate purposes, including working capital and expansion of our business into additional markets. Pending the specific use of net proceeds as described in this prospectus, we intend to invest the net proceeds to us from this offering in short- and intermediate-term investment grade instruments, certificates of deposit or guaranteed obligations of the U.S. government. See "Use of Proceeds."</p>
Dividends on the common stock	We have not declared or paid any cash dividends on our common stock since our inception and do not anticipate paying any cash dividends on our common stock in the foreseeable future.
Proposed NASDAQ Global Market symbol	"SEDG"
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Unless we specifically state otherwise or the context otherwise requires, the share information in this prospectus is as of , 2014, and reflects or assumes:

- the conversion of all outstanding shares of preferred stock into shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of preferred stock into warrants to purchase shares of common stock, followed immediately by a -for-1 split of our common stock, immediately prior to the closing of this offering;

- the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the closing of this offering;
- the underwriters' option to purchase up to an additional shares of common stock from us is not exercised; and
- the initial public offering price is \$, the midpoint of the price range set forth on the cover page of this prospectus.

Unless we specifically state otherwise or the context otherwise requires, the share information in this prospectus does not give effect to or reflect the issuance of:

- shares of common stock issuable upon the exercise of outstanding stock options under our 2007 Global Incentive Plan, at a weighted-average exercise price of \$ per share;
- shares of common stock reserved for future grants or for sale under our compensatory stock plans; and
- shares of common stock issuable upon the exercise of outstanding warrants.

Summary Consolidated Financial and Other Data

Summary Consolidated Financial Data

The following table summarizes our consolidated financial data. We have derived the summary consolidated statements of operations data for fiscal 2012, 2013 and 2014 and the consolidated balance sheet data as of June 30, 2014 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statements of operations data for the six months ended December 31, 2013 and 2014 and the consolidated balance sheet data as of December 31, 2014 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements include all normal recurring adjustments necessary, in the opinion of management, to summarize the financial positions and results for the period presented. Our historical results are not necessarily indicative of our results to be expected in any future period and the historical results for the six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the full year. The summary of our consolidated financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as the sections captioned "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	Fiscal Year Ended June 30,			Six Months Ended December 31,	
	2012	2013	2014	2013	2014
	(unaudited)				
	(In thousands)				
Consolidated Statements of Operations Data:					
Revenues	\$ 75,351	\$ 79,035	\$ 133,217	\$ 58,084	\$ 140,259
Cost of revenues	76,028	74,626	111,246	51,066	110,448
Gross profit (loss)	(677)	4,409	21,971	7,018	29,811
Operating expenses:					
Research and development, net	13,783	15,823	18,256	8,822	9,827
Sales and marketing	9,926	12,784	17,792	7,780	11,119
General and administrative	3,074	3,262	4,294	1,802	2,280
Total operating expenses	26,783	31,869	40,342	18,404	23,226
Operating income (loss)	(27,460)	(27,460)	(18,371)	(11,386)	6,585
Financial (income) expenses	287	612	2,787	1,691	(58)
Income (loss) before taxes on income	(27,747)	(28,072)	(21,158)	(13,077)	6,643
Taxes on income	36	108	220	21	748
Net income (loss)	<u>\$ (27,783)</u>	<u>\$ (28,180)</u>	<u>\$ (21,378)</u>	<u>\$ (13,098)</u>	<u>\$ 5,895</u>

	As of December 31, 2014	
	Actual	As Adjusted(1)
(In thousands)		
Consolidated Balance Sheet Data:		
Cash and cash equivalents	\$ 23,774	\$
Total assets	133,287	
Total debt	4,678	
Total stockholders' (deficiency)	\$ (128,703)	\$

- (1) Reflects (1) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (2) the conversion of all outstanding shares of preferred stock into shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of preferred stock into warrants to purchase shares of common stock, followed immediately by a -for-1 split of our common stock, immediately prior to the closing of this offering and (3) our sale of shares of common stock in this offering at an assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting \$ in underwriting discounts and commissions and estimated offering expenses of \$.

A \$1.00 increase or decrease in the assumed initial public offering price of \$ per share of common stock would increase or decrease as adjusted cash and cash equivalents by \$ million, total assets by \$ million, and total stockholders' deficiency by \$ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with the offering. The as adjusted information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

Key Operating Metrics

We regularly review a number of metrics, including the key operating metrics set forth in the table below, to evaluate our business, measure our performance, identify trends affecting our business, formulate projections and make strategic decisions.

	Fiscal Year Ended June 30,			Six Months Ended December 31,	
	2012	2013	2014	2013	2014
	Inverters shipped	30,140	36,088	61,999	25,140
Power optimizers shipped	709,804	890,445	1,357,251	569,844	1,449,580
Megawatts shipped(1)	174	239	365	153	389

	As of June 30,			As of December 31,	
	2012	2013	2014	2013	2014
	Systems monitored	12,667	33,097	60,518	44,988
Megawatts monitored(2)	106	283	554	391	1,106

- (1) Calculated based on the aggregate nameplate capacity of inverters shipped during the applicable period. Nameplate capacity is the maximum rated power output capacity of an inverter as specified by the manufacturer. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Performance Measures"

- (2) Calculated based on the aggregate capacity of the systems being monitored as of the applicable date.

RISK FACTORS

Investing in our common stock involves a substantial risk of loss. You should carefully consider these risk factors, together with all of the other information included in this prospectus, before you decide to purchase shares of our common stock. If any of the following risks occur, it could have a material adverse effect on our business, financial condition or results of operations. In that case, the trading price of our common stock could decline, and you could lose part or all of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. See the section of this prospectus captioned "Special Note Regarding Forward-Looking Statements and Market Data."

Risks Related to Our Business and Our Industry

We have a history of losses which may continue in the future, and we cannot be certain that we will achieve or sustain profitability.

We have incurred net losses since our inception. We incurred net losses of \$28.2 million and \$21.4 million for fiscal 2013 and 2014, respectively. We expect to incur additional costs and expenses related to the continued development and expansion of our business, including in connection with marketing and developing our products, expanding into new product markets and geographies, maintaining and enhancing our research and development operations and hiring additional personnel. In addition, as a public company, we will incur significant additional legal, accounting and other expenses that we did not incur as a private company. We do not know whether our revenues will grow rapidly enough to absorb these costs, and our limited operating history makes it difficult to assess the extent of these expenses or their impact on our results of operations.

Further, revenue growth may slow or revenue may decline for a number of possible reasons, many of which are outside our control, including a decline in demand for our products, increased competition, a decrease in the growth of the solar industry or our market share, or our failure to continue to capitalize on growth opportunities. If we fail to generate sufficient revenue to support our operations, we may not be able to achieve or sustain profitability.

Our limited operating history makes it difficult to evaluate our current business and future prospects.

We have only been in existence since 2006 and our first full fiscal year of commercial shipments was 2011. Much of our growth has occurred in recent periods. Our limited operating history, combined with the rapidly evolving and competitive nature of our industry, makes it difficult to evaluate our current business and future prospects. In addition, we have limited insight into emerging trends that may adversely affect our business, financial condition, results of operations and prospects. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including unpredictable and volatile revenues and increased expenses as we continue to grow our business. The viability and demand for solar energy solutions, and in turn, our products, may be affected by many factors outside of our control, including:

- cost competitiveness, reliability and performance of solar photovoltaic ("PV") systems compared to conventional and non-solar renewable energy sources and products;
- availability and amount of government subsidies and incentives to support the development and deployment of solar energy solutions;
- the extent to which the electric power industry and broader energy industries are deregulated to permit broader adoption of solar electricity generation;

- prices of traditional carbon-based energy sources;
- levels of investment by end-users of solar energy products, which tend to decrease when economic growth slows; and
- the emergence, continuance or success of, or increased government support for, other alternative energy generation technologies and products.

If we do not manage these risks and overcome these difficulties successfully, our business will suffer.

If demand for solar energy solutions does not continue to grow or grows at a slower rate than we anticipate, our business will suffer.

Our solution is utilized in solar PV installations. As a result, our future success depends on continued demand for solar energy solutions and the ability of solar equipment vendors to meet this demand. The solar industry is an evolving industry that has experienced substantial changes in recent years, and we cannot be certain that consumers and businesses, with respect to distributed solar solutions, or utilities, with respect to utility-scale solar projects, will adopt solar PV systems as an alternative energy source at levels sufficient to grow our business. If demand for solar energy solutions fails to develop sufficiently, demand for our products will decrease, which would have an adverse impact on our ability to increase our revenue and grow our business.

The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for solar PV systems and harm our business.

Federal, state, local and foreign government bodies provide incentives to owners, end users, distributors, system integrators and manufacturers of solar PV systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments, payments of renewable energy credits associated with renewable energy generation and exclusion of solar PV systems from property tax assessments. The market for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of government and economic incentives that vary by geographic market. Because our customers' sales are typically into the on-grid market, the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity may negatively affect the competitiveness of solar electricity relative to conventional and non-solar renewable sources of electricity, and could harm or halt the growth of the solar electricity industry and our business. These subsidies and incentives may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as solar energy adoption rates increase or as a result of legal challenges, the adoption of new statutes or regulations or the passage of time. These reductions or terminations often occur without warning. For example, in January 2013, the Arizona Corporation Commission, which oversees local utility rates and renewable energy programs in Arizona, announced suddenly that it would drastically reduce residential purchase incentives and eliminate commercial production incentives.

In addition, several jurisdictions have adopted renewable portfolio standards, which mandate that a certain portion of electricity delivered by utilities to customers come from a set of eligible renewable energy resources by a certain compliance date. Some programs further specify that a portion of the renewable energy quota must be from solar electricity. Under some programs, a utility can receive a "credit" for renewable energy produced by a third party by either purchasing the electricity directly from the producer or paying a fee to obtain the right to renewable energy generated but used by the generator or sold to another party. A renewable energy credit allows the

utility to add this electricity to its renewable portfolio requirement total without actually expending the capital for generating facilities. However, there can be no assurances that such policies will continue. For example, in May 2014, Ohio froze renewable portfolio requirements at current levels. Proposals to extend compliance deadlines, reduce targets or repeal standards have also been introduced in a number of states including California and Colorado. Reduction or elimination of renewable portfolio standards or successful efforts to meet current standards could harm or halt the growth of the solar PV industry and our business.

Changes to net metering policies may significantly reduce demand for electricity from solar PV systems and harm our business.

Our business benefits from favorable net metering policies in several U.S. states, Canadian provinces and European countries in which our customers operate. Net metering allows a solar PV system owner to pay his or her local electric utility only for power usage net of production from the solar PV system, transforming the conventional relationship between customers and traditional utilities. System owners receive credit for the energy that the solar installation generates to offset energy usage at times when the solar installation is not generating energy. Under a net metering program, the customer typically pays for the net energy used or receives a credit against future bills at the retail rate if more energy is produced than consumed. In some locations, customers are also reimbursed by the electric utility for net excess generation on a periodic basis.

Most U.S. states have adopted some form of net metering. However, net metering programs have recently come under regulatory scrutiny in some U.S. states due to challenges alleging that net metering policies inequitably shift costs onto non-solar ratepayers by allowing solar ratepayers to sell electricity at rates that are too high for utilities to recoup their fixed costs. Generally, the programs have been upheld in their current form, though some were subject to minor modification and others, including California, have been designated for additional regulatory review in the next few years. We cannot assure you that the programs will not be significantly modified following these reviews.

If the value of the credit that customers receive for net metering is significantly reduced, end-users may be unable to recognize the same level of cost savings associated with net metering that current end-users enjoy. The absence of favorable net metering policies or of net metering entirely, or the imposition of new charges that only or disproportionately affect end-users that use net metering would significantly limit demand for solar PV systems that are sold by our customers and could have a material adverse effect on our business, financial condition, results of operations and future growth.

Existing electric utility industry regulations, and changes to regulations, may present technical, regulatory and economic barriers to the purchase and use of solar PV systems that may significantly reduce demand for our products or harm our ability to compete.

Federal, state, local and foreign government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. These regulations and policies often relate to electricity pricing and the interconnection of customer-owned electricity generation, and governments and utilities continuously modify these regulations and policies. These regulations and policies could deter purchases of renewable energy products, including solar PV systems sold by our customers. This could result in a significant reduction in the potential demand for our products. For example, utilities commonly charge fees to larger, industrial customers for disconnecting from the electric grid or for having the capacity to use power from the electric grid for back-up purposes. These fees could increase the cost to use solar PV systems sold by our customers and make them less desirable, thereby harming our business, prospects, financial

condition and results of operations. In addition, depending on the region, electricity generated by solar PV systems competes most effectively with expensive peak-hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utilities' peak hour pricing policies or rate design, such as to a flat rate, could require the price of solar PV systems and their component parts to be lower in order to compete with the price of electricity from the electric grid.

Changes in current laws or regulations applicable to us or the imposition of new laws and regulations in the U.S., Europe or other jurisdictions in which we do business could have a material adverse effect on our business, financial condition and results of operations. Any changes to government or internal utility regulations and policies that favor electric utilities could reduce the competitiveness of solar PV systems sold by our customers and cause a significant reduction in demand for our products and services. For example, regulators in certain U.S. states have been asked to consider proposals to assess fees on consumers purchasing energy from solar PV systems or imposing a new charge that would disproportionately impact solar PV system owners who utilize net metering, either of which would increase the cost of solar PV energy to those consumers and could reduce demand for our products. Any similar government or utility policies adopted in the future that discourage the growth of solar PV systems could reduce demand for our products and services and adversely impact our growth. In addition, changes in our products or changes in export and import laws and implementing regulations may create delays in the introduction of new products in international markets, prevent our customers from deploying our products internationally or, in some cases, prevent the export or import of our products to certain countries altogether. Any such event could have a material adverse effect on our business, financial condition and results of operations.

A drop in the retail price of electricity derived from the utility grid or from alternative energy sources may harm our business, financial condition, results of operations and prospects.

Decreases in the retail prices of electricity from the utility grid would make the purchase of solar PV systems less economically attractive and would likely lower sales of our products. The price of electricity derived from the utility grid could decrease as a result of:

- construction of a significant number of new power generation plants, including plants utilizing natural gas, nuclear, coal, renewable energy or other generation technologies;
- relief of transmission constraints that enable local centers to generate energy less expensively;
- reductions in the price of natural gas;
- utility rate adjustment and customer class cost reallocation;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- development of smart-grid technologies that lower the peak energy requirements of a utility generation facility;
- development of new or lower-cost energy storage technologies that have the ability to reduce a customer's average cost of electricity by shifting load to off-peak times; and
- development of new energy generation technologies that provide less expensive energy.

Moreover, technological developments in the solar components industry could allow our competitors and their customers to offer electricity at costs lower than those that can be achieved by us and our customers, which could result in reduced demand for our products.

If the cost of electricity generated by solar PV installations incorporating our systems is high relative to the cost of electricity from other sources, our business, financial condition and results of operations may be harmed.

An increase in interest rates or tightening of the supply of capital in the global financial markets could make it difficult for customers to finance the cost of a solar PV system and could reduce the demand for our products.

Many end-users depend on financing to fund the initial capital expenditure required to develop, build or purchase a solar PV system. As a result, an increase in interest rates, or a reduction in the supply of project debt financing or tax equity investments, could reduce the number of solar projects that receive financing or otherwise make it difficult for our customers or their customers to secure the financing necessary to develop, build, purchase or install a solar PV system on favorable terms, or at all, and thus lower demand for our products which could limit our growth or reduce our net sales. In addition, we believe that a significant percentage of end-users install solar PV systems as an investment, funding the initial capital expenditure through financing. An increase in interest rates could lower an investor's return on investment on a solar PV system, increase equity return requirements or make alternative investments more attractive relative to solar PV systems, and, in each case, could cause these end-users to seek alternative investments.

The market for our products is highly competitive and we expect to face increased competition as new and existing competitors introduce power optimizer, inverter and solar PV system monitoring products, which could negatively affect our results of operations and market share.

The market for solar PV solutions is highly competitive. We principally compete with traditional inverter manufacturers as well as microinverter manufacturers. Currently, our DC optimized inverter system competes with products from traditional inverter manufacturers, such as SMA Solar Technology AG, ABB Ltd. (previously Power-One Inc.) and KACO new energy GmbH, and microinverter manufacturers, such as Enphase Energy, Inc., as well as emerging technology companies offering alternative optimizer, microinverter or other MLPE products. SMA Solar Technology AG and ABB Ltd. have recently introduced or announced plans to introduce microinverter products. In addition, several new entrants to the MLPE market, including low-cost Asian manufacturers, have recently announced plans to ship or have already shipped products in markets in which we sell our products. We expect competition to intensify as new and existing competitors enter the MLPE market.

Several of our existing and potential competitors are significantly larger, have greater financial, marketing, distribution, customer support and other resources, are longer established, and have better brand recognition. Further, certain competitors may be able to develop new products more quickly than us, may partner with other competitors to provide combined technologies and competing solutions and may be able to develop products that are more reliable or that provide more functionality than ours. In addition, some of our competitors have the financial resources to offer competitive products at aggressive or below-market pricing levels, which could cause us to lose sales or market share or require us to lower prices for our products in order to compete effectively. If we have to reduce our prices by more than we anticipated, or if we are unable to offset any future reductions in our average selling prices by increasing our sales volume, reducing our costs and expenses or introducing new products, our revenues and gross profit would suffer.

Developments in alternative technologies or improvements in distributed solar energy generation may have a material adverse effect on demand for our offerings.

Significant developments in alternative technologies, such as advances in other forms of distributed solar PV power generation, storage solutions such as batteries, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of centralized power production may have a material adverse effect on our business and prospects. Any failure by us to adopt new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence, the loss of competitiveness of our products, decreased revenue and a loss of market share to competitors.

Our industry has historically been cyclical and experienced periodic downturns.

Our future success partly depends on continued demand for solar PV systems in the end-markets we serve, including the residential and commercial sectors in the United States and Europe. The solar industry has historically been cyclical and has experienced periodic downturns which may affect the demand for equipment that we manufacture. The solar industry has undergone challenging business conditions in recent years, including downward pricing pressure for PV modules, mainly as a result of overproduction, and reductions in applicable governmental subsidies, contributing to demand decreases. Although the solar industry is experiencing a slow recovery, there is no assurance that the solar industry will not suffer significant downturns in the future, which will adversely affect demand for our solar products and our results of operations.

Defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products.

Although our products meet our stringent quality requirements, they may contain undetected errors or defects, especially when first introduced or when new generations are released. Errors, defects or poor performance can arise due to design flaws, defects in raw materials or components or manufacturing difficulties, which can affect both the quality and the yield of the product. Any actual or perceived errors, defects or poor performance in our products could result in the replacement or recall of our products, shipment delays, rejection of our products, damage to our reputation, lost revenue, diversion of our engineering personnel from our product development efforts and increases in customer service and support costs, all of which could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, defective components may give rise to warranty, indemnity or product liability claims against us that exceed any revenue or profit we receive from the affected products. We offer a minimum 12-year limited warranty for our inverters and a 25-year limited warranty for our power optimizers. Our limited warranties cover defects in materials and workmanship of our products under normal use and service conditions. As a result, we bear the risk of warranty claims long after we have sold products and recognized revenue. While we do have accrued reserves for warranty claims, our estimated warranty costs for previously sold products may change to the extent future products are not compatible with earlier generation products under warranty. Our warranty accruals are based on our assumptions and we do not have a long history of making such assumptions. As a result, these assumptions could prove to be materially different from the actual performance of our systems, causing us to incur substantial unanticipated expense to repair or replace defective products in the future or to compensate customers for defective products. Our failure to accurately predict future claims could result in unexpected volatility in, and have a material adverse effect on, our financial condition.

If one of our products were to cause injury to someone or cause property damage, including as a result of product malfunctions, defects or improper installation, then we could be exposed to product liability claims. We could incur significant costs and liabilities if we are sued and if damages are awarded against us. Further, any product liability claim we face could be expensive to defend and could divert management's attention. The successful assertion of a product liability claim against us could result in potentially significant monetary damages, penalties or fines, subject us to adverse publicity, damage our reputation and competitive position and adversely affect sales of our products. In addition, product liability claims, injuries, defects or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions for the industry as a whole, and may have an adverse effect on our ability to attract new customers, thus harming our growth and financial performance.

If we do not forecast demand for our products accurately, we may experience product shortages, delays in product shipment, excess product inventory, or difficulties in planning expenses, which will adversely affect our business and financial condition.

Our products are manufactured according to our estimates of customer demand, which requires us to make multiple forecasts and assumptions relating to demand from solar PV installers and distributors, their end customers and general market conditions. Because we sell a large portion of our products to larger solar installers and various distributors, who in turn sell to local installers, who in turn sell to their end customers, the system owner, we have limited visibility as to end customer demand and it is difficult to forecast future end-user demand to plan our operations. If we overestimate demand for our products, or if purchase orders are cancelled or shipments are delayed, we may have excess inventory that we cannot sell. Conversely, if we underestimate demand, we may not have sufficient inventory to meet end customer demand or to ramp up production at our contract manufacturers in a timely manner, or we could incur additional costs, lose market share, damage relationships with our distributors and end customers and forego potential revenue opportunities. For example, in fiscal 2014, unexpectedly high customer demand forced us to shorten transportation time from our factories in China and Hungary by using air freight rather than less expensive ocean freight.

We are dependent on ocean transportation to deliver our products in a cost efficient manner. If we are unable to use ocean transportation to deliver our products, our business and financial condition could be materially and adversely impacted.

We rely on commercial ocean transportation for the delivery of a large percentage of our products to our customers in North America. We also rely on more expensive air transportation when ocean transportation is not available or compatible with the delivery time requirements of our customers. Our ability to deliver our products via ocean transportation could be adversely impacted by shortages in available cargo capacity, changes by carriers and transportation companies in policies and practices, such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor; and other factors, such as labor strikes and work stoppages, not within our control. If we are unable to use ocean transportation and are required to substitute more expensive air transportation, our financial condition and results of operations could be materially and adversely impacted. Currently, contentious negotiations between the Pacific Maritime Association and the International Longshore & Warehouse Union have resulted in port slowdowns which have caused port congestion and major delays in the transfer of cargo in the United States West Coast. Accordingly, we have started to ship a higher percentage of our products to our customers in North America via air transportation. Material interruptions in service or stoppages in transportation, such as the aforementioned dispute, whether caused by strike, work stoppage, lock-out, slowdown or otherwise, could materially and adversely impact our business, results of operations and financial condition.

We depend upon a small number of outside contract manufacturers. Our operations could be disrupted if we encounter problems with these contract manufacturers.

We do not have internal manufacturing capabilities, and currently rely upon two contract manufacturers to build all of our products. Our reliance on a small number of contract manufacturers makes us vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs.

The revenues that our contract manufacturers generate from our orders represent a relatively small percentage of their overall revenues. As a result, fulfilling our orders may not be considered a priority in the event of constrained ability to fulfill all of their customer obligations in a timely manner. In addition, the facilities in which our products are manufactured are located outside of the U.S., currently in China and Hungary. The location of these facilities outside of key markets such as the U.S. increases shipping time, thereby causing a long lead time between manufacturing and delivery.

If any of our contract manufacturers were unable or unwilling to manufacture our products in required volumes and at high quality levels or renew existing terms under supply agreements, we would have to identify, qualify and select acceptable alternative contract manufacturers. An alternative contract manufacturer may not be available to us when needed or may not be in a position to satisfy our quality or production requirements on commercially reasonable terms, including price. Any significant interruption in manufacturing would require us to reduce our supply of products to our customers or increase our shipping costs to make up for delays in manufacturing, which in turn could reduce our revenues, harm our relationships with our customers and damage our reputation with local installers and potential end-users and cause us to forego potential revenue opportunities.

We may experience delays, disruptions or quality control problems in our manufacturing operations.

Our product development, manufacturing and testing processes are complex and require significant technological and production process expertise. Such processes involve a number of precise steps from design to production. Any change in our processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be researched, identified and properly addressed and rectified. This may occur particularly as we introduce new products, modify our engineering and production techniques, and/or expand our capacity. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, increased production and logistics costs and delays. Any of these developments could have a material adverse effect on our business, financial condition, and results of operations.

We depend on a limited number of suppliers for key components and raw materials in our products to adequately meet anticipated demand. Due to the limited number of such suppliers, any cessation of operations or production or any shortage, delay, price change, imposition of tariffs or duties or other limitation on our ability to obtain the components and raw materials we use could result in sales delays, cancellations and loss of market share.

We depend on limited or single source suppliers for certain key components and raw materials used to manufacture our products, making us susceptible to quality issues, shortages and price changes. Any of these limited or single source suppliers could stop producing our components or supplying our raw materials, cease operations or be acquired by, or enter into exclusive arrangements with, one or more of our competitors. As a result, these suppliers could stop selling to us at commercially reasonable prices, or at all. Because there are a limited number

of suppliers of solar PV system components and raw materials used to manufacture our products, it may be difficult to quickly identify alternate suppliers or to qualify alternative components or raw materials on commercially reasonable terms, and our ability to satisfy customer demand may be adversely affected. Transitioning to a new supplier or redesigning a product to accommodate a new component manufacturer would result in additional costs and delays. These outcomes could harm our business or financial performance.

Any interruption in the supply of limited source components or raw materials for our products would adversely affect our ability to meet scheduled product deliveries to our customers, could result in lost revenue or higher expenses and would harm our business.

Failure by our contract manufacturers or our component or raw material suppliers to use ethical business practices and comply with applicable laws and regulations may adversely affect our business.

We do not control our contract manufacturers or suppliers or their business practices. Accordingly, we cannot guarantee that they follow ethical business practices such as fair wage practices and compliance with environmental, safety and other local laws. A lack of demonstrated compliance could lead us to seek alternative manufacturers or suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations. Violation of labor or other laws by our manufacturers or suppliers or the divergence of a supplier's labor or other practices from those generally accepted as ethical in the U.S. or other markets in which we do business could also attract negative publicity for us and harm our business.

Our results of operations may fluctuate from quarter to quarter, which could make our future performance difficult to predict and could cause our results of operations for a particular period to fall below expectations, resulting in a decline in the price of our common stock.

Our quarterly results of operations are difficult to predict and may fluctuate significantly in the future. We have experienced seasonal and quarterly fluctuations in the past as a result of seasonal fluctuations in our customers' business. For example, our customers' and end-users' ability to install solar energy systems is affected by weather, as for example during the winter months in Europe and the northeastern U.S. Such installation delays can impact the timing of orders for our products. Further, given that we are an early-stage company operating in a rapidly growing industry, the true extent of these fluctuations may have been masked by our recent growth rates and consequently may not be readily apparent from our historical results of operations and may be difficult to predict. Our financial performance, sales, working capital requirements and cash flow may fluctuate, and our past quarterly results of operations may not be good indicators of future performance. Any substantial decrease in revenues would have an adverse effect on our financial condition, results of operations, cash flows and stock price.

We rely on distributors and large installers to assist in selling our products, and the failure of these customers to perform as expected could reduce our future revenue.

We currently sell a substantial percentage of our products through distributors, who in turn sell to local installers, and through direct sales to large installers. We do not have exclusive arrangements with these third party distributors and large installers. Many of our distributors also market and sell products from our competitors, and all of our large installer customers also use products from our competitors. These distributors and large installers may terminate their relationships with us at any time and with little or no notice. Further, these distributors and large installers may fail to devote resources necessary to sell our products at the prices, in the volumes and within the time frames that we expect, or may focus their marketing and sales efforts on

products of our competitors. Termination of agreements with current distributors or large installers, failure by these distributors or large installers to perform as expected, or failure by us to cultivate new distributor or large installer relationships, could hinder our ability to expand our operations and harm our revenue and results of operations.

If we fail to retain our key personnel or if we fail to attract additional qualified personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future success and ability to implement our business strategy depends, in part, on our ability to attract and retain key personnel, and on the continued contributions of members of our senior management team and key technical personnel, each of whom would be difficult to replace. All of our employees, including our senior management, are free to terminate their employment relationships with us at any time. Competition for highly skilled individuals with technical expertise is extremely intense, and we face challenges identifying, hiring and retaining qualified personnel in many areas of our business. Integrating new employees into our team could prove disruptive to our operations, require substantial resources and management attention and ultimately prove unsuccessful. An inability to retain our senior management and other key personnel or to attract additional qualified personnel could limit or delay our strategic efforts, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members and officers.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the listing requirements of the NASDAQ Global Market, and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. To maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees in preparation for these heightened requirements, we may need to hire more employees in the future which would increase our costs and expenses.

We also expect that being a public company will make it more expensive for us to obtain director and officer liability insurance and we may have to choose between reduced coverage or substantially higher costs to obtain coverage. These factors could make it more difficult for us to attract and retain qualified executive officers and members of our board of directors, particularly to serve on our audit committee and compensation committee.

If we fail to protect, or incur significant costs in defending, our intellectual property and other proprietary rights, our business and results of operations could be materially harmed.

Our success depends to a significant degree on our ability to protect our intellectual property and other proprietary rights. We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as confidentiality and license agreements and other contractual provisions, to establish and protect our intellectual property and other proprietary rights. We have applied for patents in the U.S., Europe and China, some of which have been issued. We cannot guarantee that any of our pending applications will be approved or that our existing and future intellectual property rights will be sufficiently broad to protect our proprietary technology, and any

failure to obtain such approvals or finding that our intellectual property rights are invalid or unenforceable could force us to, among other things, rebrand or re-design our affected products. In countries where we have not applied for patent protection or where effective intellectual property protection is not available to the same extent as in the U.S., we may be at greater risk that our proprietary rights will be misappropriated, infringed or otherwise violated.

Third parties may assert that we are infringing upon their intellectual property rights, which could divert management's attention, cause us to incur significant costs and prevent us from selling or using the technology to which such rights relate.

Our competitors and other third parties hold numerous patents related to technology used in our industry. From time to time we may also be subject to claims of intellectual property right infringement and related litigation, and, if we gain greater recognition in the market, we face a higher risk of being the subject of claims that we have violated others' intellectual property rights. Regardless of their merit, responding to such claims can be time consuming, can divert management's attention and resources and may cause us to incur significant expenses in litigation or settlement. While we believe that our products and technology do not infringe in any material respect upon any valid intellectual property rights of third parties, we cannot be certain that we would be successful in defending against any such claims. If we do not successfully defend or settle an intellectual property claim, we could be liable for significant monetary damages and could be prohibited from continuing to use certain technology, business methods, content or brands. To avoid a prohibition, we could seek a license from the applicable third party, which could require us to pay significant royalties, increasing our operating expenses. If a license is not available at all or not available on reasonable terms, we may be required to develop or license a non-violating alternative, either of which could require significant effort and expense. If we cannot license or develop a non-violating alternative, we would be forced to limit or stop sales of our offerings and may be unable to effectively compete. Any of these results would adversely affect our business, financial condition and results of operations.

We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.

We enter into agreements with our employees pursuant to which they agree that any inventions created in the scope of their employment or engagement are assigned to us or owned exclusively by us, depending on the jurisdiction, without the employee retaining any rights. A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967 (the "Patent Law"), inventions conceived by an employee during the scope of his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee (the "Committee"), a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his or her inventions. Recent decisions by the Committee and the Israeli Supreme Court have created uncertainty in this area, as the Israeli Supreme Court held that employees may be entitled to remuneration for their service inventions despite having specifically waived any such rights. Further, the Committee has not yet determined the method for calculating this Committee-enforced remuneration. Although our employees have agreed that any rights related to their inventions are owned exclusively by us, we may face claims demanding remuneration in consideration for such acknowledgement. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

The loss of, or events affecting, one of our major customers could reduce our sales and have a material adverse effect on our business, financial condition and results of operations.

For fiscal 2014, SolarCity, the largest independent solar power provider in the U.S., and Krannich, one of the leading solar PV distributors worldwide, accounted for 19.1% and 7.8% of our revenues, respectively. Our next five largest customers for fiscal 2014, together, accounted for 14.7% of our revenues. For the six months ended December 31, 2014, SolarCity, Krannich and our next five largest customers accounted for 32.3%, 7.1% and 21.0% of our revenues, respectively. Our customers' decisions to purchase our products are influenced by a number of factors outside of our control, including retail energy prices and government regulation and incentives, among others. In addition, these customers may decide to no longer use our products and services for other reasons which may be out of our control. Although we have agreements with some of our largest customers, these agreements do not have long-term purchase commitments and are generally terminable by either party after a relatively short notice period. The loss of, or events affecting, one or more of these customers could have a material adverse effect on our business, financial condition and results of operations.

Our planned expansion into new markets could subject us to additional business, financial and competitive risks.

In fiscal 2014, we sold our products to approximately 200 direct customers in 38 countries, including the U.S., Australia, Belgium, Canada, China, France, Germany, Israel, Italy, Japan, the Netherlands and the United Kingdom. We intend to introduce new products targeted at large commercial and utility-scale installations and to expand into other international markets. Our success in these new product and geographic markets will depend on a number of factors, including our ability to develop solutions to address the requirements of the large commercial and utility-scale solar PV markets, timely qualification and certification of new products for large commercial and utility-scale solar PV installations, acceptance of power optimizers in solar PV markets in which they have not traditionally been used and our ability to manage increased manufacturing capacity and production.

Further, these solar PV markets have different characteristics from the markets in which we currently sell products, and our success will depend on our ability to adapt properly to these differences. These differences may include differing regulatory requirements, including tax laws, trade laws, labor regulations, tariffs, export quotas, customs duties or other trade restrictions, limited or unfavorable intellectual property protection, international political or economic conditions, restrictions on the repatriation of earnings, longer sales cycles, warranty expectations, product return policies and cost, performance and compatibility requirements. In addition, expanding into new geographic markets will increase our exposure to presently existing risks, such as fluctuations in the value of foreign currencies and difficulties and increased expenses in complying with U.S. and foreign laws, regulations and trade standards, including the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA").

Failure to develop and introduce these new products successfully or to otherwise manage the risks and challenges associated with our potential expansion into new product and geographic markets could adversely affect our revenues and our ability to achieve or sustain profitability.

If we fail to manage our recent and future growth effectively, we may be unable to execute our business plan, maintain high levels of customer service or adequately address competitive challenges.

We have experienced significant growth in recent periods with our annual product sales growing rapidly from approximately 8,400 inverters and approximately 181,000 power optimizers in

fiscal 2011, our first full fiscal year of commercial shipments, to annual product sales exceeding 61,000 inverters and 1.3 million power optimizers in fiscal 2014. We intend to continue to expand our business significantly within existing and new markets. This growth has placed, and any future growth may place, a significant strain on our management, operational and financial infrastructure. In particular, we will be required to expand, train and manage our growing employee base and scale and otherwise improve our IT infrastructure in tandem with that headcount growth. Our management will also be required to maintain and expand our relationships with customers, suppliers and other third parties and attract new customers and suppliers, as well as manage multiple geographic locations.

Our current and planned operations, personnel, IT and other systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated investment in our infrastructure. Our success and ability to further scale our business will depend, in part, on our ability to manage these changes in a cost-effective and efficient manner. If we cannot manage our growth, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage growth could adversely impact our business and reputation.

Covenants in our credit facility may limit our flexibility in responding to business opportunities and competitive developments and increase our vulnerability to adverse economic or industry conditions.

We have a revolving line of credit from Silicon Valley Bank ("SVB"). The SVB credit facility restricts our ability to take certain actions such as borrow money, grant liens, pay dividends, dispose of assets, or engage in certain transactions. Our credit agreement with SVB also requires us to maintain certain EBITDA and liquidity levels. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. In addition, our obligations under the credit facility are secured by substantially all of our assets, including all of our intellectual property, which limits our ability to provide collateral for additional financing. Nevertheless, we and our subsidiaries may incur substantial additional debt in the future and any debt instrument we enter into in the future may contain similar restrictions or collateral packages. A breach of any of these covenants, or a failure to pay principal or interest when due, could result in a variety of adverse consequences, including the acceleration of our indebtedness. Our assets and cash flow may not be sufficient to fully repay borrowings if some or all of our indebtedness is accelerated. Acceleration could result in the foreclosure by the lenders on our assets that secure the credit facility.

Furthermore, there can be no assurance that we will be able to enter into new debt instruments on acceptable terms. If we are unable to satisfy financial covenants and other terms under existing or new credit arrangements or obtain waivers or forbearance from our lenders or if we are unable to obtain refinancing or new financings for our working capital, equipment and other needs on acceptable terms if and when needed, our business would be adversely affected.

We may not be able to raise additional capital to execute our current or future business strategies on favorable terms, if at all, or without dilution to our stockholders.

We expect that we may need to raise additional capital to execute our current or future business strategies. However, we do not know what forms of financing, if any, will be available to us. Some financing activities in which we may engage could cause your equity interest in the Company to be diluted, which could cause the value of your stock to decrease. If financing is not available on acceptable terms, if and when needed, our ability to fund our operations, expand our

research and development and sales and marketing functions, develop and enhance our products, respond to unanticipated events, including unanticipated opportunities, or otherwise respond to competitive pressures would be significantly limited. In any such event, our business, financial condition and results of operations could be materially harmed, and we may be unable to continue our operations.

Fluctuations in currency exchange rates may negatively impact our financial condition and results of operations.

Although our financial results are reported in U.S. dollars, U.S. dollar revenues accounted for only 56% of our revenues in fiscal 2014. In addition, a significant portion of our operating expenses are accrued in New Israeli Shekels (primarily related to payroll) and, to a lesser extent, the Euro and other currencies. Our profitability is affected by movements of the U.S. dollar against the Euro, and, to a lesser extent, the New Israeli Shekel and other currencies in which we generate revenues, incur expenses and maintain cash balances. Foreign currency fluctuations may also affect the prices of our products. Our prices are denominated primarily in U.S. dollars. If there is a significant devaluation of a particular currency, the prices of our products will increase relative to the local currency and may be less competitive. Despite our efforts to minimize foreign currency risks, primarily by entering into forward hedging transactions to sell Euro for U.S. dollars at a predefined rate, and maintaining cash balances in New Israeli Shekels, significant long-term fluctuations in relative currency values, in particular a significant change in the relative values of the Euro and, to a lesser extent, the New Israeli Shekel and other currencies, against the U.S. dollar could have an adverse effect on our profitability and financial condition.

Any unauthorized access to, or disclosure or theft of personal information we gather, store or use could harm our reputation and subject us to claims or litigation.

We receive, store and use certain personal information of our customers, and the end-users of our customers' solar PV systems, including names, addresses, e-mail addresses, credit information and energy production statistics. We also store and use personal information of our employees. We take steps to protect the security, integrity and confidentiality of the personal information we collect, store and transmit, but there is no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information despite our efforts. Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we and our suppliers or vendors may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures.

Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors by an unauthorized party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business. If any such unauthorized use or disclosure of, or access to, such personal information were to occur, our operations could be seriously disrupted and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Finally, any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business, financial condition and results of operations.

We could be adversely affected by any violations of the FCPA, the U.K. Bribery Act and other foreign anti-bribery laws.

The FCPA generally prohibits companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. Other countries in which we operate also have anti-bribery laws, some of which prohibit improper payments to government and non-government persons and entities. Our policies mandate compliance with these anti-bribery laws. However, we currently operate in and intend to further expand into, many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. In addition, due to the level of regulation in our industry, our entry into certain jurisdictions requires substantial government contact where norms can differ from U.S. standards. It is possible that our employees, subcontractors, agents and partners may take actions in violation of our policies and anti-bribery laws. Any such violation, even if prohibited by our policies, could subject us to criminal or civil penalties or other sanctions, which could have a material adverse effect on our business, financial condition, cash flows and reputation.

Risks Related to Operations in Israel

Conditions in Israel affect our operations and may limit our ability to develop, produce and sell our products.

Although we are incorporated in Delaware, our headquarters and research and development center are located in Israel. Accordingly, political, economic and military conditions in Israel directly affect us. Israel has been involved in a number of armed conflicts and has been the target of terrorist activity. Rocket fire from the Gaza Strip, including against civilian targets, has occurred on an irregular basis, disrupting day-to-day civilian activity and negatively affecting business conditions. Any future armed conflict, political instability or violence in the region may impede our ability to manage our business effectively or to engage in research and development, or may otherwise adversely affect our business or operations. In the event of war, we and our Israeli products subcontractors and suppliers may cease operations, which may cause delays in the distribution and sale of our products. Some of our directors, executive officers and employees in Israel are obligated to perform annual reserve duty in the Israeli military and are subject to being called for additional active duty under emergency circumstances. In the event that our principal executive office is damaged as a result of hostile action, or hostilities otherwise disrupt the ongoing operation of our offices, our ability to operate could be materially adversely affected.

Additionally, several countries, principally in the Middle East, restrict doing business with Israeli companies, and additional countries and groups may impose similar restrictions if hostilities in Israel or political instability in the region continue or increase. If recent regime changes and civil wars in neighboring states result in the establishment of fundamentalist Islamic regimes or governments more hostile to Israel, or if Egypt or Jordan abrogates its respective peace treaty with Israel, Israel could be subject to additional political, economic and military confines, and our operations and ability to sell our products to countries in the region could be materially adversely affected. These restrictions may limit materially our ability to obtain manufactured components and raw materials or to sell our products.

Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturn in the economic or financial condition of Israel, could have a material adverse effect on our business, financial condition and results of operations.

The tax benefits that are available to us under Israeli law require us to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.

Our Israeli subsidiary is eligible for certain tax benefits provided to "Benefited Enterprises" under the Israeli Law for the Encouragement of Capital Investments, 1959 (the "Investment Law".) In order to remain eligible for the tax benefits for "Benefited Enterprises" we must continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended. If these tax benefits are reduced, cancelled or discontinued, our Israeli taxable income would be subject to regular Israeli corporate tax rates and we may be required to refund any tax benefits that we have already received, plus interest and penalties thereon. The standard corporate tax rate for Israeli companies was increased to 25% in 2012 and 2013 and further increased to 26.5% for 2014 and thereafter. Additionally, if we increase our activities outside of Israel through acquisitions, for example, our expanded activities might not be eligible for inclusion in future Israeli tax benefit programs. The Israeli government may furthermore independently determine to reduce, phase out or eliminate entirely the benefit programs under the Investment Law, regardless of whether we then qualify for benefits under those programs at the time, which would also adversely affect our global tax rate and our results of operations.

The terms of Israeli government grants that we have received restrict our ability to transfer technologies outside of Israel, and we may be required to pay penalties in such a case or upon the sale of our Company.

From January through December 31, 2014, we received a total of \$0.6 million from the Office of the Chief Scientist in the Israel Ministry of Economy ("OCS"). We expect to receive additional grants to support our research and development activities in fiscal 2015. The terms of these grants require us to pay royalties at a rate of 4% to 4.5% on sales of products developed under these grants, up to the total grant amount, linked to the dollar and bearing interest at an annual rate of LIBOR applicable to dollar deposits. Even after payment in full, we will still be required to comply with the requirements of the Israeli Encouragement of Industrial Research and Development Law, 1984 (the "R&D Law"), and related regulations, with respect to those past grants. When a company develops know-how, technology or products under an OCS grant, the grant terms and the R&D Law restrict the transfer outside of Israel of such know-how without the prior approval of the OCS. Consequently, if aspects of our technologies are deemed to have been developed with OCS funding, the discretionary approval of an OCS committee would be required for any transfer to third parties outside of Israel of know-how related to those aspects of our technologies. The OCS may impose conditions on any arrangement under which it permits us to transfer technology or development out of Israel or may not grant such approval at all.

Any transfer of OCS-supported technology or know-how outside of Israel may require payment of significant amounts to the OCS, depending on the value of the transferred technology or know-how, the amount of OCS support, the time of completion of the OCS-supported research project and other factors. These restrictions and requirements for payment may impair our ability to sell our technology assets outside of Israel. Furthermore, the consideration available to our shareholders in a transaction involving the transfer outside of Israel of technology or know-how developed with OCS funding (such as a merger or similar transaction) would be reduced by any amounts that we are required to pay to the OCS.

It may be difficult to enforce a judgment of a U.S. court against our officers and directors, to assert U.S. securities laws claims in Israel or to serve process on our officers and directors.

The majority of our directors and executive officers reside outside of the U.S., and most of our assets and most of the assets of these persons are located outside of the U.S. Consequently, a judgment obtained against any of these persons, including a judgment based on the civil liability

provisions of the U.S. federal securities laws, may not be collectible in the U.S. It also may be difficult for you to effect service of process on these persons in the U.S. or to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws on the grounds that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court hears a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Further, an Israeli court may not enforce a judgment awarded by a U.S. or other non-Israeli court. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel that addresses these matters. As a result of the difficulty associated with enforcing a judgment against any of these persons in Israel, you may not be able to obtain or enforce a judgment against many of our directors and executive officers.

Risks Related to this Offering and Our Common Stock

An active, liquid trading market for our common stock may not develop.

Prior to this offering, there has not been a public market for our common stock. Although we expect to list our common stock on the NASDAQ Global Market, we cannot predict whether an active public market for our common stock will develop or be sustained after this offering. If an active and liquid trading market does not develop, you may have difficulty selling or may not be able to sell any of the shares of our common stock that you purchase.

We cannot assure you that our stock price will not decline or not be subject to significant volatility after this offering.

The market price of our common stock could be subject to significant fluctuations after this offering. The price of our stock may change in response to fluctuations in our results of operations in future periods and also may change in response to other factors, including factors specific to companies in our industry, many of which are beyond our control. As a result, our share price may experience significant volatility and may not necessarily reflect the value of our expected performance. Among other factors that could affect our stock price are:

- changes in laws or regulations applicable to our industry or offerings;
- speculation about our business in the press or the investment community;
- price and volume fluctuations in the overall stock market;
- volatility in the market price and trading volume of companies in our industry or companies that investors consider comparable;
- share price and volume fluctuations attributable to inconsistent trading levels of our shares;
- our ability to protect our intellectual property and other proprietary rights;
- sales of our common stock by us or our significant stockholders, officers and directors;
- the expiration of contractual lock-up agreements;
- the development and sustainability of an active trading market for our common stock;
- success of competitive products or services;
- the public's response to press releases or other public announcements by us or others, including our filings with the Securities and Exchange Commission (the "SEC"), announcements relating to litigation or significant changes to our key personnel;

- the effectiveness of our internal controls over financial reporting;
- changes in our capital structure, such as future issuances of debt or equity securities;
- our entry into new markets;
- tax developments in the U.S., Europe or other markets;
- strategic actions by us or our competitors, such as acquisitions or restructurings; and
- changes in accounting principles.

Further, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. In addition, the stock prices of many renewable energy companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may cause the market price of our common stock to decline.

We cannot assure you that you will be able to resell any of your shares of our common stock at or above the initial public offering price. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market, if a trading market develops, after this offering. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment and may lose some or all of your investment.

The price of our common stock could decline if securities analysts do not publish research or if securities analysts or other third parties publish inaccurate or unfavorable research about us.

The trading of our common stock is likely to be influenced by the reports and research that industry or securities analysts publish about us, our business, our market or our competitors. We do not currently have and may never obtain research coverage by securities or industry analysts. If no securities or industry analysts commence coverage of our Company, the trading price for our common stock would be negatively affected. If we obtain securities or industry analyst coverage but one or more analysts downgrade our common stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more securities or industry analysts ceases to cover the Company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Sales of a substantial number of shares of our common stock in the public market following this offering, or the perception that such sales may occur, could depress the market price of our common stock. Our executive officers and directors and certain of our equity holders have agreed with the underwriters not to offer, sell, dispose of or hedge any shares of our common stock or any options or warrants to purchase any shares of our common stock, or securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock, subject to specified limited exceptions described elsewhere in this prospectus, during the period ending 180 days after the date of the final prospectus, except with the prior written consent of the

representatives of the underwriters. Immediately prior to the closing of this offering, all outstanding shares of preferred stock will be converted into _____ shares of common stock and the outstanding warrants to purchase 563,014 shares of preferred stock will be converted into warrants to purchase _____ shares of common stock, which will be followed immediately by a _____-for-1 split of our common stock. Our certificate of incorporation, as expected to be in effect upon the completion of this offering, will authorize us to issue up to _____ shares of common stock, of which _____ shares of common stock will be outstanding, _____ shares of common stock will be issuable upon the exercise of outstanding stock options as of _____, 2014 and _____ shares of common stock will be issuable upon the exercise of outstanding warrants as of _____, 2014. Of the outstanding shares, a total of _____ shares of common stock that are deemed "restricted securities" will not be subject to the lock-up agreements or the market stand-off provisions in our investors' rights agreement with our founders and the holders of our convertible preferred stock and an additional, _____ shares of common stock will be freely tradable after the expiration date of the lock-up agreements, excluding any acquired by persons who may be deemed to be our affiliates. Shares of our common stock held by our affiliates will continue to be subject to the volume and other restrictions of Rule 144 under the Securities Act. The representatives of the underwriters may, in their sole discretion and at any time without notice, release all or any portion of the shares subject to the lock-up. See "Underwriting."

Upon the completion of this offering, the holders of an aggregate of _____ shares of our common stock and _____ shares of common stock issuable upon the exercise of outstanding warrants, based on shares of common stock and warrants outstanding as of _____, or their transferees, will be entitled to rights with respect to the registration of their shares under the Securities Act. In addition, immediately following this offering, we intend to file a registration statement registering under the Securities Act the shares of common stock reserved for issuance under our new 2015 Global Incentive Plan and Employee Stock Purchase Plan or subject to outstanding awards granted under our 2007 Global Incentive Plan. See the information under the heading "Shares Available for Future Sale" for a more detailed description of the shares that will be available for future sales upon completion of this offering. Sales of our common stock pursuant to these registration rights or this registration statement may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause our stock price to fall and make it more difficult for you to sell shares of our common stock.

If you purchase shares of our common stock sold in this offering, you will incur immediate and substantial dilution.

If you purchase shares of our common stock in this offering, you will incur immediate and substantial dilution in the amount of \$ _____ per share because the initial public offering price will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock. This dilution would result because our earlier investors paid substantially less than the initial public offering price when they purchased their shares. In addition, you may also experience additional dilution upon future equity issuances, the exercise of stock options to purchase common stock granted to our employees and directors under our stock option and equity incentive plans or the exercise of warrants to purchase common stock. See "Dilution."

Our management will have broad discretion over the use of the proceeds from this offering and may not apply the proceeds of this offering in ways that increase the value of your investment.

Our management will have broad discretion to use the net proceeds we receive from this offering and you will be relying on its judgment regarding the application of these proceeds.

As discussed under "Use of Proceeds", we intend to use the net proceeds of this offering primarily for general corporate purposes, including working capital and expansion of our business into additional markets. Management may not apply the net proceeds of this offering in ways that increase the value of your investment.

As an emerging growth company within the meaning of the Securities Act, we may utilize certain modified disclosure requirements, and we cannot be certain if these reduced requirements will make our common stock less attractive to investors.

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies" including not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute compensation not previously approved. We have in this prospectus utilized, and we may in future filings with the SEC continue to utilize, the modified disclosure requirements available to emerging growth companies. As a result, our stockholders may not have access to certain information they may deem important.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not "emerging growth companies."

Following this offering, we could remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year during which we had total annual gross revenues of at least \$1 billion (as indexed for inflation), (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of common stock under this registration statement, (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt or (iv) the date on which we are deemed to be a "large accelerated filer," as defined under the Exchange Act.

Provisions in our certificate of incorporation and by-laws, as amended and restated in connection with the closing of this offering, may have the effect of delaying or preventing a change of control or changes in our management.

Our certificate of incorporation and by-laws will contain provisions that could depress the trading price of our common stock by discouraging, delaying or preventing a change of control of our Company or changes in our management that the stockholders of our Company may believe advantageous. These provisions include:

- authorizing "blank check" preferred stock that our board of directors could issue to increase the number of outstanding shares to discourage a takeover attempt;
- providing for a classified board of directors with staggered, three-year terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;

- not providing for cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- limiting the ability of stockholders to call a special stockholder meeting;
- prohibiting stockholders from acting by written consent;
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- the removal of directors only for cause and only upon the affirmative vote of the holders of at least 66²/₃% in voting power of all the then-outstanding shares of common stock of the Company entitled to vote thereon, voting together as a single class;
- providing that our board of directors is expressly authorized to amend, alter, rescind or repeal our by-laws; and
- requiring the affirmative vote of holders of at least 66²/₃% of the voting power of all of the then outstanding shares of common stock, voting as a single class, to amend provisions of our certificate of incorporation relating to the management of our business, our board of directors, stockholder action by written consent, advance notification of stockholder nominations and proposals, calling special meetings of stockholders, forum selection and the liability of our directors, or to amend, alter, rescind or repeal our by-laws.

In addition, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder becomes an "interested" stockholder. For a description of our capital stock, see "Description of Capital Stock."

We do not intend to pay any cash dividends on our common stock in the foreseeable future.

We have never declared or paid any dividends on our common stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. In addition, the terms of our debt instruments impose restrictions on our ability to declare dividends on our common stock. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and provisions of our debt instruments and organizational documents, after taking into account our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, capital appreciation in the price of our common stock, if any, may be your only source of gain on an investment in our common stock.

If we fail to establish and maintain an effective system of integrated internal controls, we may not be able to report our financial results accurately, which could have a material adverse effect on our business, financial condition and results of operations.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that will need to be evaluated frequently. Section 404 of the Sarbanes-Oxley Act requires public companies to conduct an annual review and evaluation of their internal controls and requires attestations of the effectiveness of internal controls by independent auditors. We would be required to perform the annual review and evaluation of our internal controls no later than for fiscal 2016. We initially expect to qualify as an emerging growth company, and thus, we would be exempt from the auditors' attestation requirement until such time as we no longer qualify as an

emerging growth company. Regardless of whether we qualify as an emerging growth company, we will still need to implement substantial control systems and procedures in order to satisfy the reporting requirements under the Exchange Act and applicable NASDAQ Global Market requirements, among other items. Establishing these internal controls will be costly and may divert management's attention.

Evaluation by us of our internal controls over financial reporting may identify material weaknesses that may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of NASDAQ Global Market rules. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could have a material adverse effect on our business, financial condition and results of operations and could also lead to a decline in the price of our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND MARKET DATA

This prospectus contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in the sections captioned "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry Overview" and "Business." Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry and regulatory environment, potential growth opportunities and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this prospectus. You should read this prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Important factors that could cause actual results to differ materially from our expectations include:

- our history of losses, which may continue in the future;
- our limited operating history, which makes it difficult to predict future results;
- future demand for solar energy solutions;
- changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications;
- federal, state and local regulations governing the electric utility industry with respect to solar energy;
- the retail price of electricity derived from the utility grid or alternative energy sources;
- interest rates and supply of capital in the global financial markets;
- competition, including introductions of power optimizer, inverter and solar PV system monitoring products by our competitors;
- developments in alternative technologies or improvements in distributed solar energy generation;
- historic cyclical nature of industry and periodic downturns;
- defects or performance problems in our products;
- our ability to forecast demand for our products accurately and to match production with demand;
- our dependence on ocean transportation to deliver our products in a cost efficient manner.

- our dependence upon a small number of outside contract manufacturers;
- capacity constraints, delivery schedules, manufacturing yields and costs of our contract manufacturers and availability of components;
- delays, disruptions and quality control problems in manufacturing;
- shortages, delays, price changes or cessation of operations or production affecting our suppliers of key components;
- business practices and regulatory compliance of our raw material suppliers;
- performance of distributors and large installers in selling our products;
- our ability to retain key personnel and attract additional qualified personnel;
- our ability to maintain our brand and to protect and defend our intellectual property;
- our ability to retain, and events affecting, our major customers;
- our ability to manage effectively the growth of our organization and expansion into new markets;
- our ability to raise additional capital on favorable terms or at all;
- fluctuations in currency exchange rates;
- unrest, terrorism or armed conflict in Israel;
- general economic conditions in our domestic and international markets; and
- the other factors set forth under "Risk Factors."

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

We use market data and industry forecasts and projections throughout this prospectus, and in particular in the sections captioned "Prospectus Summary," "Industry Overview" and "Business." We have obtained the market data from certain third-party sources of information, including publicly available industry publications and subscription-based publications. Industry forecasts are based on industry surveys and the preparer's expertise in the industry and there can be no assurance that any of the industry forecasts will be achieved. We believe these data are reliable, but we have not independently verified the accuracy of this information. Any industry forecasts are based on data (including third-party data), models and experience of various professionals and are based on various assumptions, all of which are subject to change without notice. While we are not aware of any misstatements regarding the market data presented herein, industry forecasts and projections involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors."

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately \$ _____ from our sale of the _____ shares of common stock offered by us in this offering (or \$ _____ if the underwriters exercise in full their option to purchase additional shares of common stock from us), based upon an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting \$ _____ in estimated underwriting discounts and commissions and estimated offering expenses of \$ _____ to be paid by us.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, net proceeds to us from the offering by approximately \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting an incremental \$ _____ in underwriting discounts and commissions.

The principal reasons for this offering are to increase our capitalization and financial flexibility, increase our visibility in the marketplace and create a public market for our common stock. We currently intend to use the net proceeds of this offering primarily for general corporate purposes, including working capital and expansion of our business into additional markets. Overall, our management will have broad discretion in the application of our net proceeds from this offering, and investors will be relying on the judgment of our management regarding the application of these proceeds. We intend to invest the net proceeds in short- and intermediate-term interest-bearing obligations, investment-grade instruments, certificates of deposit or guaranteed obligations of the U.S. government, pending their use as described above.

DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. In addition, the terms of our debt instruments prohibit us from paying cash dividends on our common stock. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and provisions of our debt instruments and organizational documents, after taking into account our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2014:

- on an actual basis; and
- on an as adjusted basis to reflect (1) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (2) the conversion of all outstanding shares of preferred stock into _____ shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of preferred stock into warrants to purchase _____ shares of common stock, followed immediately by a _____-for-1 split of our common stock, immediately prior to the closing of this offering and (3) our sale of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting \$ _____ in underwriting discounts and commissions and estimated offering expenses of \$ _____.

You should read this table together with the sections of this prospectus captioned "Selected Consolidated Financial and Other Data," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	<u>As of December 31, 2014</u>	
	<u>Actual</u>	<u>Adjusted(1)</u>
	(In thousands, except share data)	
Cash and cash equivalents	\$ 23,774	\$ _____
Total debt	\$ 4,678	\$ _____
Preferred stock, \$0.0001 par value; 90,093,796 shares authorized, 84,743,792 shares issued and outstanding, actual; no shares issued and outstanding, as adjusted	\$ 140,915	\$ 0
Stockholders' equity (deficiency):		
Common stock, \$0.0001 par value; 125,000,000 shares authorized, 8,451,396 shares issued and outstanding, actual; _____ shares issued and outstanding, as adjusted	\$ 1	\$ _____
Additional paid-in capital	6,673	_____
Accumulated other comprehensive loss	(161)	(161)
Accumulated deficit	(135,216)	(135,216)
Total stockholders' (deficiency)	<u>\$ (128,703)</u>	<u>\$ _____</u>
Total capitalization	<u>\$ 16,890</u>	<u>\$ _____</u>

(1) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, net proceeds to us from the offering by approximately \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting an incremental \$ _____ in underwriting discounts and commissions.

The actual number of shares of common stock to be outstanding following this offering is based on _____ shares of common stock outstanding as of December 31, 2014 and excludes as of December 31, 2014:

- _____ shares of common stock issuable upon the exercise of outstanding stock options under our 2007 Global Incentive Plan, at a weighted-average exercise price of \$ _____ per share;
- _____ shares of common stock reserved for future grants or for sale under our compensatory stock plans; and
- _____ shares of common stock issuable upon the exercise of outstanding warrants.

DILUTION

Investors purchasing our common stock in this offering will experience immediate and substantial dilution in the pro forma as adjusted net tangible book value of their shares of common stock. Dilution in pro forma as adjusted net tangible book value represents the difference between the initial public offering price of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after the offering.

Historical net tangible book value per share represents our total tangible assets (total assets excluding deferred issuance costs) less total liabilities (excluding (i) deferred revenues related to warranty extensions and our cloud-based monitoring platform and (ii) liability relating to warrants to purchase convertible preferred stock), divided by the number of shares of outstanding common stock. After giving effect to (1) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (2) the conversion of all outstanding shares of preferred stock into shares of common stock, followed immediately by a -for-1 split of our common stock, immediately prior to the closing of this offering, (3) the issuance of shares of common stock in this offering and (4) the receipt of the net proceeds from the sale of shares of common stock in this offering by us at an assumed initial public offering price of \$ per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting \$ in underwriting discounts and commissions and estimated offering expenses of \$, the pro forma as adjusted net tangible book value as of December 31, 2014 would have been approximately \$, or \$ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of \$ per share to existing stockholders and an immediate dilution of \$ per share to new investors purchasing common stock in this offering.

The following table illustrates this dilution on a per share basis to new investors.

Assumed initial public offering price per share	\$
Historical net tangible book value per share as of December 31, 2014	\$ 2.08
Pro forma decrease in net tangible book value per share as of December 31, 2014(1)	\$ (1.89)
Pro forma net tangible book value per share as of December 31, 2014	\$ 0.19
Increase in net tangible book value per share attributable to investors participating in this offering	\$
Pro forma as adjusted net tangible book value per share, as adjusted to give effect to this offering	
Dilution per share to new investors participating in this offering	\$

(1) After giving effect to the conversion of all outstanding shares of preferred stock.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ per share would increase (decrease) total consideration paid by new investors by approximately \$, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting an incremental \$ in underwriting discounts and commissions. We may also increase or decrease the number of shares we are offering. An increase (decrease) of in the number of shares offered by us would increase (decrease) total consideration paid by new investors by \$, assuming that the assumed initial public offering price remains the same, and after deducting an incremental \$ in underwriting discounts and commissions.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2014, the differences between the number of shares of common stock purchased from us and the total consideration and the weighted-average price per share paid by existing stockholders and by

investors participating in this offering at an assumed initial public offering price of \$ _____ per share, after deducting \$ _____ in underwriting discounts and commissions and estimated offering expenses of \$ _____ (in thousands, except share and per share amounts):

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Weighted Average Price Per Share</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Assuming no exercise of the underwriters' option to purchase additional shares:					
Existing stockholders(1)			%\$		%\$
New investors(1)					
Total		100.0%		100.0%	
Assuming full exercise of the underwriters' option to purchase additional shares:					
Existing stockholders			%\$		%\$
New investors					
Total		100.0%		100.0%	

(1) The foregoing tables and calculations exclude (i) _____ outstanding shares of common stock issuable upon the exercise of outstanding stock options under our 2007 Global Incentive Plan, at a weighted-average exercise price of \$ _____ per share and (ii) warrants to purchase _____ shares of preferred stock at a weighted average exercise price of \$ _____ per share. To the extent that these options or warrants are exercised, there will be further dilution to new investors. If all of such outstanding options and warrants had been exercised as of December 31, 2014, the as adjusted net tangible book value per ordinary share after this offering would be \$ _____, and total dilution per ordinary share to new investors would be \$ _____.

The actual number of shares of common stock to be outstanding following this offering is based on _____ shares of common stock outstanding as of December 31, 2014 and excludes:

- _____ shares of common stock issuable upon the exercise of outstanding stock options under our 2007 Global Incentive Plan, at a weighted-average exercise price of \$ _____ per share;
- _____ shares of common stock reserved for future grants or for sale under our compensatory stock plans; and
- _____ shares of common stock issuable upon the exercise of outstanding warrants.

To the extent that new options are issued under our compensatory stock plans or we issue additional shares of common stock in the future, there will be further dilution to investors participating in this offering.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2014, the differences between the number of shares of common stock purchased from us and the total consideration and the weighted-average price per share paid by existing stockholders and by investors participating in this offering at an assumed initial public offering price of \$ _____ per share, assuming the exercise of all outstanding warrants and options, after deducting \$ _____ in

underwriting discounts and commissions and estimated offering expenses of \$ (in thousands, except share and per share amounts):

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Weighted Average Price Per Share</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Assuming the exercise of all outstanding warrants and options and no exercise of the underwriters' option to purchase additional shares:					
Existing stockholders			%\$		%\$
Outstanding options and warrants					
New investors					
Total		100.0%			100.0%
Assuming full exercise of all outstanding warrants, options and the underwriters' option to purchase additional shares:					
Existing stockholders			%\$		%\$
Outstanding options and warrants					
New investors					
Total		100.0%			100.0%

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

Selected Consolidated Financial Data

The selected consolidated statement of operations data for each of fiscal 2012, 2013 and 2014 and the selected consolidated balance sheet data as of June 30, 2013 and 2014 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statement of operations data for fiscal 2010 and 2011 and the selected consolidated balance sheet data as of June 30, 2010, 2011 and 2012 are derived from our audited financial statements not included in this prospectus. The selected consolidated statement of operations data for the six months ended December 31, 2013 and 2014 and the selected consolidated balance sheet data as of December 31, 2014 are derived from our unaudited interim financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements include all normal recurring adjustments necessary, in the opinion of management, to summarize the financial positions and results for the period presented. Our historical results are not necessarily indicative of our results to be expected in any future period and the historical results for the six months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the full year. These selected financial data should be read together with our consolidated financial

statements and the related notes, as well as the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	Fiscal Year Ended June 30,					Six Months Ended December 31,	
	2010	2011	2012	2013	2014	2013	2014
	(In thousands)						
Consolidated Statements of Operations Data:							
Revenues	\$ 3,936	\$ 23,227	\$ 75,351	\$ 79,035	\$ 133,217	\$ 58,084	\$ 140,259
Cost of revenues	7,379	30,034	76,028	74,626	111,246	51,066	110,448
Gross profit (loss)	(3,443)	(6,807)	(677)	4,409	21,971	7,018	29,811
Operating expenses:							
Research and development, net	9,258	10,857	13,783	15,823	18,256	8,822	9,827
Sales and marketing	3,775	5,464	9,926	12,784	17,792	7,780	11,119
General and administrative	1,808	3,543	3,074	3,262	4,294	1,802	2,280
Total operating expenses	14,841	19,864	26,783	31,869	40,342	18,404	23,226
Operating income (loss)	(18,284)	(26,671)	(27,460)	(27,460)	(18,371)	(11,386)	6,585
Financial (income) expenses	57	1,093	287	612	2,787	1,691	(58)
Other expenses	54	—	—	—	—	—	—
Income (loss) before taxes on income	(18,395)	(27,764)	(27,747)	(28,072)	(21,158)	(13,077)	6,643
Taxes on income	—	21	36	108	220	21	748
Net income (loss)	\$ (18,395)	\$ (27,785)	\$ (27,783)	\$ (28,180)	\$ (21,378)	\$ (13,098)	\$ 5,895

	At June 30,					At December 31,
	2010	2011	2012	2013	2014	2014
	(In thousands)					
Consolidated Balance Sheet Data:						
Cash and cash equivalents	\$ 751	\$ 3,493	\$ 19,437	\$ 13,142	\$ 9,754	\$ 23,774
Total assets	11,781	19,625	55,894	49,086	74,998	133,287
Total debt	—	—	3,515	12,823	20,244	4,678
Total stockholders' (deficiency)	\$ (34,009)	\$ (61,119)	\$ (87,990)	\$ (115,014)	\$ (135,294)	\$ (128,703)

Key Operating Metrics

We regularly review a number of metrics, including the key operating metrics set forth in the table below, to evaluate our business, measure our performance, identify trends affecting our business, formulate projections and make strategic decisions.

	Fiscal Year Ended June 30,			Six Months Ended	
				December 31,	
	2012	2013	2014	2013	2014
Inverters shipped	30,140	36,088	61,999	25,140	67,576
Power optimizers shipped	709,804	890,445	1,357,251	569,844	1,449,580
Megawatts shipped(1)	174	239	365	153	389

	As of June 30,			As of	
				December 31,	
	2012	2013	2014	2013	2014
Systems monitored	12,667	33,097	60,518	44,988	93,542
Megawatts monitored(2)	106	283	554	391	1,106

(1) Calculated based on the aggregate nameplate capacity of inverters shipped during the applicable period. Nameplate capacity is the maximum rated power output capacity of an inverter as specified by the manufacturer. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Performance Measures"

(2) Calculated based on the aggregate capacity of the systems being monitored as of the applicable date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the sections of this prospectus captioned "Selected Consolidated Financial Data and Other Data" and "Business" and our consolidated financial statements and the related notes to those statements included elsewhere in this prospectus. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under the sections of this prospectus captioned "Special Note Regarding Forward-Looking Statements and Market Data" and "Risk Factors".

Overview

We are a leading provider of intelligent inverter solutions that are changing the way power is harvested and managed in solar PV systems. Our DC optimized inverter solution maximizes power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system. Our systems allow for superior power harvesting and module management by deploying power optimizers at each PV module while maintaining a competitive system cost by using a simplified DC-AC inverter. Our systems are monitored through our cloud-based monitoring platform that enables lower system operating and maintenance ("O&M") costs. We believe that these benefits, along with our comprehensive and advanced safety features, are highly valued by our customers.

We are the leader in the global module level power electronics ("MLPE") market according to GTM Research, and as of December 31, 2014, we have shipped approximately 4.5 million power optimizers and 201,000 inverters. Approximately 95,000 installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. As of December 31, 2014, we have shipped approximately 1.2 GW of our DC optimized inverter systems. Our products are sold in approximately 38 countries, and are installed in solar PV systems in 73 countries.

We primarily sell our products directly to large solar installers and engineering, procurement and construction firms ("EPCs") and indirectly to thousands of smaller solar installers through large distributors and electrical equipment wholesalers. Our sales strategy focuses on top-tier customers in markets where electricity prices, irradiance (amount of sunlight), and government policies make solar PV installations economically viable. We also sell our power optimizers to several PV module manufacturers that offer PV modules with our power optimizer physically embedded into their modules.

In fiscal 2014, we sold our products to approximately 200 direct customers in 38 countries and as of December 31, 2014, approximately 8,300 indirect customers had registered with us through our cloud-based monitoring platform. With the exception of SolarCity and Krannich, which accounted for 19.1% and 7.8% of our revenues in fiscal 2014, respectively, no customer accounted for more than 3.5% of our fiscal 2014 revenues. For the six months ended December 31, 2014, SolarCity, Krannich and our next five largest customers accounted for 32.3%, 7.1% and 21.0% of our revenues, respectively. As a result of the rapid growth of U.S. solar PV installations, the U.S. has become the largest market for our products, accounting for 48.5% of our revenues in fiscal 2014.

We were founded in 2006 with the goal of addressing the lost power generation potential that is inherent in the use of traditional solar PV inverter technology, thereby increasing the return on investment in solar PV systems. The following is a chronology of some of our key milestones:

- In 2010, we commenced commercial shipments of our power optimizers and inverters to Europe after contracting with Flextronics (Israel) Ltd. (with its affiliates, "Flextronics") to initiate production in Israel.
- In 2011, we commenced sales in the U.S. and expanded our manufacturing capacity by contracting with Jabil Circuit, Inc. to open a larger manufacturing site in Guangzhou, China.
- In 2011, we introduced our second generation power optimizer, based on our second generation ASIC, with a power rating of up to 500 watts and a substantially reduced number of components.
- In 2012, we shipped our millionth power optimizer and increased our sales personnel presence in the U.S. market.
- In 2013, we opened an additional manufacturing site with Flextronics in Hungary to accommodate our accelerated growth, replacing the Flextronics manufacturing site in Israel.
- In 2013, we introduced our third generation power optimizer, based on our third generation ASIC, with a power rating of up to 700 watts and improved heat dissipation capabilities for high reliability and lower cost.
- In 2014, we shipped our three millionth power optimizer.

We have achieved substantial growth since we commenced commercial shipments in fiscal 2010. Our revenues were \$75.4 million, \$79.0 million and \$133.2 million for fiscal 2012, 2013 and 2014, respectively, and were \$58.1 million and \$140.3 million for the first six months of fiscal 2014 and 2015, respectively. Gross margins were (0.9)%, 5.6% and 16.5%, for fiscal 2012, 2013 and 2014, respectively, and were 12.1% and 21.3% for the first six months of fiscal 2014 and 2015, respectively. Net losses were \$27.8 million, \$28.2 million and \$21.4 million for fiscal 2012, 2013 and 2014, respectively. Net loss was \$13.1 million for the first six months of fiscal 2014 and net income was \$5.9 million for the first six months of fiscal 2015.

We continue to focus on our long-term growth. We believe that our market opportunity is large and that the transition from traditional inverter architecture to DC optimized inverter architecture as the architecture of choice for distributed solar installations globally will continue. We believe that we are well positioned to benefit from this market trend. We intend to continue to invest in sales and marketing to acquire new customers in our existing markets, grow internationally and drive additional revenue. We also plan to expand our product offerings to further penetrate the large commercial and utility segments. We expect to continue to invest in research and development to enhance our product offerings and develop new, cost effective solutions.

We believe that our strategy results in a lean operating base with low expenses that will enable profitability on lower revenues relative to our competitors. We believe that our sales and marketing, research and development and general and administrative costs will decrease as a percentage of revenue in the long-term as we continue to grow due to economies of scale. With this increased operating leverage, we expect our gross and operating margins to increase in the long-term.

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by the financial statements with other operating metrics. These operating

metrics are utilized by our management to evaluate our business, measure our performance, identify trends affecting our business and formulate projections. We use metrics relating to yearly shipments (inverters shipped, power optimizers shipped and megawatts shipped) to evaluate our sales performance and to track market acceptance of our products from year to year. We use metrics relating to monitoring (systems monitored and megawatts monitored) to evaluate market acceptance of our products and usage of our solution.

We provide the "megawatts shipped" metric, which is calculated based on nameplate capacity shipped, to show adoption of our system on a nameplate capacity basis. Nameplate capacity shipped is the maximum rated power output capacity of an inverter and corresponds to our financial results in that higher total capacities shipped are generally associated with higher total revenues. However, revenues increase with each additional unit, not necessarily each additional MW of capacity, sold. Accordingly, we also provide the "inverters shipped" and "power optimizers shipped" operating metrics.

We calculate systems monitored through our cloud-based monitoring platform, which tracks installations of products shipped by us, if and to the extent that such installations are connected to the monitoring platform. Our shipping metrics correspond to our monitoring metrics, in that higher numbers of units or nameplate capacity shipped are generally associated with higher numbers of systems and megawatts monitored. However, there is a delay between the date in which units are shipped, installed and ultimately connected to the cloud-based monitoring platform. Further, some system owners opt not to connect their systems to the cloud-based monitoring platform, which causes their systems not to be included in "systems monitored" or "megawatts monitored." Because installations contain multiple power optimizers, and some installations contain multiple inverters, the number of installations monitored differs from the number of inverters and power optimizers shipped.

Key Components of Our Results of Operations

The following discussion describes certain line items in our Consolidated Statements of Operations.

Revenues

We generate revenues from the sale of DC optimized inverter systems for solar PV installations which include power optimizers, inverters and our cloud-based monitoring software. Our customer base includes large solar installers, distributors, wholesalers, EPCs and PV module manufacturers.

Our revenues are affected by changes in the volume and average selling prices of our DC optimized inverter systems. The volume and average selling price of our systems is driven by the supply and demand for our products, changes in the product mix between our residential and commercial products, the customer mix between large and small customers, the geographical mix of our sales, sales incentives, end-user government incentives, seasonality and competitive product offerings.

Our revenue growth is dependent on our ability to expand our market share in each of the geographies in which we compete, expand our global footprint to new evolving markets, grow our production capabilities to meet demand and to continue to develop and introduce new and innovative products that address the changing technology and performance requirements of our customers.

Cost of Revenues and Gross Profit

Cost of revenues consists primarily of product costs, including purchases from our contract manufacturers and other suppliers as well as costs related to shipping, customer support, product warranty, personnel, depreciation of test and manufacturing equipment, hosting services for our cloud-based monitoring server and other logistics services. Our product costs are affected by technological innovations, such as advances in semiconductor integration and new product introductions, economies of scale resulting in lower component costs, and improvements in production processes and automation. Some of these costs, primarily personnel and depreciation of test and manufacturing equipment, are not directly affected by sales volume.

We outsource our manufacturing to third-party manufacturers and negotiate product pricing on a quarterly basis. Our third-party manufacturers are responsible for funding the capital expenses incurred in connection with the manufacture of our products, except with regard to end of line testing equipment (which resulted in expenses of \$0.4 million and \$1.0 million for fiscal 2013 and 2014, respectively). We expect to continue this funding arrangement in the future, with respect to any expansions to such existing lines. We also procure strategic and critical components from various approved vendors on behalf of our contract manufacturers. At times, higher than anticipated demand has exceeded the production capacities of these manufacturers. These production shortfalls, as well as shortages in the supply of certain raw materials, currently require us to use air freight, rather than less expensive ocean freight, to deliver the majority of our products. We believe that the expansion of current manufacturing sites by our contract manufacturers, together with planned North American contract manufacturing sites, will provide sufficient manufacturing capacity by the middle of 2015 to both meet demand and build up enough inventory to reduce significantly the shipment of products by air freight.

In addition, we are in the process of completing development of our self-designed automated assembly line for our power optimizers at one of our third-party manufacturing sites in an effort to reduce manufacturing costs and continue to increase product reliability. We have designed and are responsible for funding all of the capital expenses associated with this automated assembly line. We expect to invest in additional automated assembly lines in the future, and we will own and be responsible for funding all of the capital expenses incurred in conjunction with such automated assembly lines. The current and expected capital expenses associated with these automated assembly lines are not significant and will be funded out of our cash flows.

Key components of our logistics supply channel consist of third party and in-house distribution centers in the U.S., Europe and Canada. Finished goods are either shipped to our customers directly from our contract manufacturers or shipped to third party or in-house distribution centers and then finally shipped to our customers.

Gross profit may vary from quarter to quarter and is primarily affected by our average selling prices, product costs, product mix, customer mix, geographical mix, shipping method, warranty costs and seasonality.

Operating Expenses

Operating expenses consist of research and development, sales and marketing and general and administrative expenses. Personnel-related costs are the most significant component of each of these expense categories and include salaries, benefits, payroll taxes, commissions and stock-based compensation. Our full-time employee headcount in our research and development, sales and marketing and general and administrative departments has grown from 167 as of June 30, 2012 to 179 as of June 30, 2013, to 239 as of June 30, 2014 and to 287 as of December 31, 2014. We expect to continue to hire significant numbers of new employees to support our growth. The timing of these additional hires could materially affect our operating expenses in any particular

period, both in absolute dollars and as a percentage of revenue. We expect to continue to invest substantial resources to support our growth and anticipate that each of the following categories of operating expenses will increase in absolute dollar amounts for the foreseeable future.

Research and development expenses, net

Research and development expenses, net include personnel-related expenses such as salaries, benefits, stock-based compensation and payroll taxes. Our research and development employees are engaged in the design and development of power electronics, semiconductors, software and power line communications and networking. Our research and development expenses also include third-party design and consulting costs, materials for testing and evaluation, ASIC development and licensing costs, depreciation expense and other indirect costs. We devote substantial resources to ongoing research and development programs that focus on enhancements to and cost efficiencies in our existing products and timely development of new products that utilize technological innovation, thereby maintaining our competitive position.

Research and development expenses are presented net of the amount of any grants we receive for research and development in the period in which we receive the grant. We previously received grants and other funding from the Binational Industrial Research and Development Foundation and the OCS. Certain of those grants require us to pay royalties on sales of certain of our products, which are recorded as cost of revenues. We may receive additional funding from these entities or other funding requiring payment of similar royalties in the future.

Sales and marketing expenses

Sales and marketing expenses consist primarily of personnel-related expenses such as salaries, sales commissions, benefits, payroll taxes and stock-based compensation. These expenses also include travel, fees of independent consultants, trade shows, marketing, costs associated with the operation of our sales offices and other indirect costs. The expected increase in sales and marketing expenses is due to an expected increase in the number of sales and marketing personnel and the expansion of our global sales and marketing footprint, enabling us to increase our penetration of new markets. While most of our sales in fiscal 2012 were in Europe, sales in the U.S. increased during fiscal 2013 and represented 48.5% of our revenues in fiscal 2014. We currently have a sales presence in the U.S., Australia, Canada, China, France, Germany, Italy, Japan, the Netherlands and the U.K. We intend to continue to expand our sales presence to additional countries.

General and administrative expenses

General and administrative expenses consist primarily of salaries, employee benefits, payroll taxes and stock-based compensation related to our executives, finance, human resources, information technology and legal organizations, travel expenses, facilities costs, and fees for professional services. Professional services consist of audit, legal, tax, insurance, information technology and other costs. We expect that after completion of this offering, we will incur additional audit, tax, accounting, legal and other costs related to compliance with applicable securities and other regulations, as well as additional insurance, investor relations and other costs associated with being a public company.

Non-Operating Expenses

Financial expenses, net

Financial expenses, net consist primarily of interest expense, gains or losses from foreign currency fluctuations and hedging transactions and gains or losses related to re-measurement of warrants granted in relation to long-term debt incurred by the Company in December 2012.

Interest expense consists of interest and other charges paid to SVB in connection with our revolving line of credit, and interest on our term loan from Kreos Capital IV (Expert Fund) Limited ("Kreos"), which was fully repaid on January 26, 2015.

Our functional currency is the U.S. Dollar. With respect to our subsidiaries, other than our Israeli subsidiary, the functional currency is the applicable local currency. Financial expenses, net is net of financial income which consists primarily of the effect of foreign exchange differences between the U.S. Dollar and the New Israeli Shekel, the Euro and other currencies, related to our monetary assets and liabilities, and the realization of gain from hedging transactions.

Taxes on income

We are subject to income taxes in the countries where we operate.

We have experienced operating losses since inception and consequently accumulated a significant amount of operating loss carryforwards in several jurisdictions. We currently have unused operating loss carryforwards with respect to U.S. federal tax and State of California income tax obligations. In fiscal 2014, we recorded an immaterial provision associated with U.S. federal alternative minimum tax as well as allowances for tax in all other U.S. states where we operate.

SolarEdge Technologies Ltd., our Israeli subsidiary, is taxed under Israeli law. Income not eligible for benefits under the Investment Law is taxed at the corporate tax rate. Corporate tax rates in Israel were 25% in both fiscal 2013 and fiscal 2012. A recent amendment of the Israeli Income Tax Ordinance increased the corporate tax rate to 26.5% commencing on January 1, 2014. However, the effective tax rate payable by a company that derives income from a "Benefited Enterprise" or a "Preferred Enterprise", as defined under the Investment Law, may be considerably less. Capital gains derived by an Israeli company are subject to tax at the prevailing corporate tax rate.

Our subsidiaries are subject to taxes in each of the countries in which they operate. All of our products are developed and manufactured by our subsidiary, SolarEdge Technologies Ltd., and sold to other entities in the SolarEdge group, which then sell our products to our customers. All intercompany sales of products and services are paid for or reimbursed pursuant to transfer price policies established for each of the countries in which we operate, consistent with arm's length profit levels.

Due to our history of losses since inception, we have recorded a full valuation allowance on our deferred tax assets.

Results of Operations

The following tables set forth our consolidated statement of operations for fiscal 2012, 2013 and 2014 and for the first six months of fiscal 2014 and 2015. We have derived this data from our consolidated financial statements included elsewhere in this prospectus. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere

in this prospectus. The results of historical periods are not necessarily indicative of the results of operations for any future period.

	Fiscal Year Ended June 30,			2012 to 2013		2013 to 2014		Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	2012	2013	2014	Change		Change		2013	2014	Change	
	(Dollars in thousands)										
Revenues	\$ 75,351	\$ 79,035	\$ 133,217	\$ 3,684	4.9%	\$ 54,182	68.6%	\$ 58,084	\$ 140,259	\$ 82,175	141.5%
Cost of revenues	76,028	74,626	111,246	(1,402)	(1.8)	36,620	49.1	51,066	110,448	59,382	116.3
Gross profit (loss)	(677)	4,409	21,971	5,086	N/A	17,562	398.3	7,018	29,811	22,793	324.8
Operating expenses:											
Research and development, net	13,783	15,823	18,256	2,040	14.8	2,433	15.4	8,822	9,827	1,005	11.4
Sales and marketing	9,926	12,784	17,792	2,858	28.8	5,008	39.2	7,780	11,119	3,339	42.9
General and administrative	3,074	3,262	4,294	188	6.1	1,032	31.6	1,802	2,280	478	26.5
Total operating expenses	26,783	31,869	40,342	5,086	19.0	8,473	26.6	18,404	23,226	4,822	26.2
Operating income (loss)	(27,460)	(27,460)	(18,371)	0	0	9,089	33.1	(11,386)	6,585	17,971	N/A
Financial (income) expenses	287	612	2,787	325	113.2	2,175	355.4	1,691	(58)	(1,749)	N/A
Income (loss) before taxes on income	(27,747)	(28,072)	(21,158)	(325)	(1.2)	6,914	24.6	(13,077)	6,643	19,720	N/A
Taxes on income	36	108	220	72	200.0	112	103.7	21	748	727	3,461.9
Net income (loss)	\$ (27,783)	\$ (28,180)	\$ (21,378)	\$ (397)	(1.4)%	\$ 6,802	24.1%	\$ (13,098)	\$ 5,895	\$ 18,993	N/A

Comparison of the Six Months Ended December 31, 2013 and 2014 (unaudited)

Revenues

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	2013	2014	Change	
Revenues	\$ 58,084	\$ 140,259	\$ 82,175	141.5%

Revenues increased by \$82.2 million, or 141.5%, for the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to an increase in the number of systems sold in the U.S. market and certain countries in Europe. The number of power optimizers sold increased by approximately 0.9 million units, or 166.0%, from approximately 0.6 million units in the six months ended December 31, 2013 to approximately 1.5 million units in the six months ended December 31, 2014. The number of inverters sold increased by approximately 42,000 units, or 164.4%, from approximately 25,000 units in the six months ended December 31, 2013 to approximately 67,000 units in the six months ended December 31, 2014. The increase in the number of units sold was mainly attributable to an increase in the number of systems sold in the U.S. market and certain countries in Europe. In general, our increase in revenues in the six months ended December 31, 2014 was attributable to rapid expansion in the U.S. market. Our blended average selling price per watt decreased by \$0.024, or 6.13%, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to a change in our customer mix, which included larger portion of sales to large customers to whom we provide volume discounts.

Cost of Revenues and Gross Profit

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Cost of revenues	\$ 51,066	\$ 110,448	\$ 59,382	116.3%
Gross profit	\$ 7,018	\$ 29,811	\$ 22,793	324.8%

Cost of revenues increased by \$59.4 million, or 116.3%, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to an increase in the number of units sold, an increase in personnel related costs as a result of an increase in our operations and support headcount and an increase in spending on air shipments. Gross profit as a percentage of revenue increased from 12.1% in the six months ended December 31, 2013 to 21.3% in the six months ended December 31, 2014, primarily due to reductions in product costs, lower costs associated with our warranty expenses and warranty provisions and general economies of scale in our personnel related costs and other costs associated with our support and operations departments.

*Operating Expenses:**Research and Development, Net*

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Research and development, net	\$ 8,822	\$ 9,827	\$ 1,005	11.4%

Research and development, net increased by \$1.0 million, or 11.4%, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to an increase in personnel related costs of \$1.0 million as a result of an increased headcount of engineers. The increase in headcount reflects our continuing investment in enhancements of existing products as well as development associated with bringing new products to market. In addition, expenses related to consultants, sub-contractors and materials consumption increased by \$0.3 million and \$0.3 million, respectively, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013. These amounts were partially offset by \$0.6 million received pursuant to a grant from the OCS during the six months ended December 31, 2014.

Sales and Marketing

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Sales and marketing	\$ 7,780	\$ 11,119	\$ 3,339	42.9%

Sales and marketing expenses increased by \$3.3 million, or 42.9%, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to an increase in personnel related costs of \$2.5 million as a result of an increase in headcount supporting our growth in the U.S. and Europe. In addition, costs related to trade shows and marketing activities and the use of third party vendors, and expenses associated with our international sales offices, travel and other directly related overhead costs increased by \$0.5 million and \$0.3 million, respectively, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013.

General and Administrative

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
General and administrative	\$ 1,802	\$ 2,280	\$ 478	26.5%

General and administrative expenses increased by \$0.5 million, or 26.5%, in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to an increase in personnel related costs of \$0.3 million as a result of an increase in headcount as part of our ongoing efforts to enhance the legal, finance, human resources, recruiting and information technology functions required of a growing company. In addition, costs related to facilities, travel, accounting, tax, legal, information systems consulting and other expenses increased by \$0.2 million in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013.

Financial Expenses (Income)

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Financial (income) expenses	\$ 1,691	\$ (58)	\$ (1,749)	N/A

Financial expenses decreased by \$1.7 million in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to gains associated with hedging transactions of the U.S. Dollar against the Euro and New Israeli Shekel in the amount of \$0.8 million in the six months ended December 31, 2014, compared to a loss of \$0.5 million in the

six months ended December 31, 2013 and a decrease of \$0.4 million in expenses from foreign exchange fluctuations.

Taxes on Income

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	2013	2014	Change	
	(Dollars in thousands)			
Taxes on income	\$ 21	\$ 748	\$ 727	3,461.9%

Taxes on income increased by \$0.7 million in the six months ended December 31, 2014 as compared to the six months ended December 31, 2013, primarily due to tax accruals with respect to U.S. federal taxes, taxes in certain U.S. states in which we operate, and taxes in Germany.

Net Income (loss)

	Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014	
	2013	2014	Change	
	(Dollars in thousands)			
Net income (loss)	\$ (13,098)	\$ 5,895	\$ 18,993	N/A

As a result of the factors discussed above, the Company reached profitability in the six months ended December 31, 2014. Net income was \$5.9 million in the six months ended December 31, 2014 as compared to a net loss of \$13.1 million in the six months ended December 31, 2013.

Comparison of fiscal 2013 and 2014

Revenues

	Fiscal Year Ended June 30,		2013 to 2014	
	2013	2014	Change	
	(Dollars in thousands)			
Revenues	\$ 79,035	\$ 133,217	\$ 54,182	68.6%

Revenues increased by \$54.2 million, or 68.6%, in fiscal 2014 as compared to fiscal 2013, primarily due to the number of systems sold. The number of power optimizers sold increased by approximately 0.5 million units, or 63%, from approximately 0.8 million units in fiscal 2013 to approximately 1.3 million units in fiscal 2014. The number of inverters sold increased by approximately 29,000 units, or 90%, from approximately 32,000 units in fiscal 2013 to approximately 61,000 units in fiscal 2014. The increases in units sold were attributable to accelerated sales growth in the U.S. market partially offset by a sales decline in certain European markets. The relatively higher increase in inverters sold compared to power optimizers sold is attributed to the fact that sales in the U.S. were mainly to the residential segment which utilizes single-phase inverters while sales in Europe were primarily of three-phase inverters for both the residential and commercial segment, which are associated with a higher ratio of power optimizers per inverter. The overall

increase in unit sales was driven by deeper penetration of our existing customer base, the addition of new customers, and broader acceptance of our products resulting from, among other factors, increased investment in sales and marketing. During fiscal 2014, we continued to experience a slight decline in the average selling price of our products. Our blended average selling price per watt decreased by \$0.001, or 0.28%, in fiscal 2014 as compared to fiscal 2013, primarily due to changes in our customer mix as larger customers, which receive volume discounts, accounted for a larger portion of our sales. This was partially offset, as mentioned above, by a higher percentage of sales attributable to residential systems sales which have a higher average selling price per watt than commercial systems. We expect the average selling price per watt to continue to decrease as the percentage of our total revenues attributable to large customers and commercial systems increases.

Cost of Revenues and Gross Profit

	Fiscal Year Ended		2013 to 2014	
	June 30,		Change	
	2013	2014	Change	
	(Dollars in thousands)			
Cost of revenues	\$ 74,626	\$ 111,246	\$ 36,620	49.1%
Gross profit	4,409	21,971	17,562	398.3

Cost of revenues increased by \$36.6 million, or 49.1%, in fiscal 2014 as compared to fiscal 2013, primarily due to an increase in the number of systems sold, consistent with the overall increase in revenues as described above. Gross profit as a percentage of revenue increased from 5.6% in fiscal 2013 to 16.5% in fiscal 2014, primarily due to a reduction in cost per unit resulting from the introduction of new power optimizer and inverter generations, better component pricing resulting from economies of scale associated with our volume growth, improvement in manufacturing processes and cost reductions in our existing product generations. These cost reductions were partially offset by increased shipment and logistics costs which resulted as unexpectedly high customer demand forced us to shorten transportation time from our factories in China and Hungary by using air freight rather than less expensive ocean freight.

Operating Expenses:

Research and Development, Net

	Fiscal Year Ended		2013 to 2014	
	June 30,		Change	
	2013	2014	Change	
	(Dollars in thousands)			
Research and development, net	\$ 15,823	\$ 18,256	\$ 2,433	15.4%

Research and development, net increased by \$2.4 million, or 15.4%, in fiscal 2014 as compared to fiscal 2013, primarily due to a \$1.8 million increase in personnel-related costs as a result of an increase in engineer headcount. The increase in headcount reflects our continuing investment in enhancements of existing products as well as development associated with bringing new products to market. In addition, materials consumption and other directly related overhead costs, net of OCS grants increased in fiscal 2014 by \$0.4 million and \$0.2 million, respectively, as compared to fiscal 2013.

We plan to continue to invest in research and development as we continue to develop new products and make further enhancements to existing products.

Sales and Marketing

	Fiscal Year Ended June 30,		2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Sales and marketing	\$ 12,784	\$ 17,792	\$ 5,008	39.2%

Sales and marketing expenses increased by \$5.0 million, or 39.2%, in fiscal 2014 as compared to fiscal 2013, primarily due to an increase in personnel-related costs of \$2.9 million as a result of an increase in headcount to support higher sales volumes and accelerated expansion and higher sales commissions associated with our increased revenues in fiscal 2014 as compared to fiscal 2013. In addition, costs related to trade shows and marketing activities, the use of outside services and expenses associated with our international sales offices, travel and other directly related overhead costs increased by \$2.0 million. We expect that sales and marketing expenses will continue to increase in absolute dollars as we expand sales operations in the U.S. and other geographies.

General and Administrative

	Fiscal Year Ended June 30,		2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
General and administrative	\$ 3,262	\$ 4,294	\$ 1,032	31.6%

General and administrative expenses increased by \$1.0 million, or 31.6%, in fiscal 2014 as compared to fiscal 2013, primarily due to a \$0.8 million increase in personnel-related costs as a result of increases in headcount. The additional personnel-related costs were primarily the result of our ongoing efforts to enhance the legal, finance, human resources, recruiting and information technology functions required of a growing company. We expect to incur additional expenses as a result of operating as a public company, including costs to comply with the Sarbanes-Oxley Act and the rules and regulations applicable to companies listed on the NASDAQ Global Market.

Financial Expenses

	Fiscal Year Ended June 30,		2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Financial expenses	\$ 612	\$ 2,787	\$ 2,175	355.4%

Financial expenses increased by \$2.2 million, or 355.4%, in fiscal 2014 as compared to fiscal 2013, primarily due to an increase in interest and financial expenses of \$0.6 million related to the Kreos term loan, a \$0.3 million increase in interest expense related to our revolving line of credit, as a result of higher average outstanding borrowings during 2014 and an increase in expenses from foreign exchange fluctuations and other bank charges of \$1.3 million.

Taxes on Income

	Fiscal Year Ended June 30,		2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Taxes on income	\$ 108	\$ 220	\$ 112	103.7%

Taxes on income increased by \$0.1 million, or 103.7%, in fiscal 2014 as compared to fiscal 2013, primarily due to the initiation of state tax payments in certain U.S. states in which we operate.

Net Loss

	Fiscal Year Ended June 30,		2013 to 2014	
	<u>2013</u>	<u>2014</u>	<u>Change</u>	
	(Dollars in thousands)			
Net loss	\$ (28,180)	\$ (21,378)	\$ 6,802	24.1%

As a result of the factors discussed above, our net loss decreased by \$6.8 million, or 24.1%, in fiscal 2014 as compared to fiscal 2013.

Comparison of fiscal 2012 and 2013*Revenues*

	Fiscal Year Ended June 30,		2012 to 2013	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Revenues	\$ 75,351	\$ 79,035	\$ 3,684	4.9%

Revenues increased by \$3.7 million, or 4.9%, in fiscal 2013 as compared to fiscal 2012, primarily due to the number of systems sold. The number of power optimizers sold increased by approximately 0.1 million units, or 16%, from approximately 0.7 million units in fiscal 2012 to approximately 0.8 million units in fiscal 2013. The number of inverters sold increased by approximately 2,000 units, or 8.7%, from approximately 30,000 units in fiscal 2012 to approximately 32,000 units in fiscal 2013. The increase in the number of power optimizers sold was driven by higher sales in European countries where feed-in tariffs were scheduled to expire, which drove increased investment in solar equipment, and the increase in the number of inverters sold was attributable to a larger proportion of single-phase inverter sales in fiscal 2013 as a result of our sales growth in the U.S. residential market as compared to the lower growth in sales in Europe, which are associated with three-phase inverters that have a higher ratio of power optimizers per inverter, during the same period. In general, our increase in revenues in fiscal 2013 was attributable to increased sales into the U.S. residential market, deeper penetration of our existing customer base, the addition of new customers, and broader acceptance of our products resulting from, among other factors, our increased investment in sales and marketing. Our blended average selling price per watt decreased by \$0.082, or 18.1%, in fiscal 2013 as compared to fiscal 2012, primarily due to competitive price pressures in our European markets. The decline in average selling price per watt reflects, and was consistent with, market trends in the solar industry.

Cost of Revenues and Gross Profit

	Fiscal Year Ended		2012 to 2013	
	June 30,		Change	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Cost of revenues	\$ 76,028	\$ 74,626	\$ (1,402)	(1.8)%
Gross profit (loss)	(677)	4,409	5,086	N/A

Cost of revenues decreased by \$1.4 million, or 1.8%, in fiscal 2013 as compared to fiscal 2012, primarily due to the initiation of mass production in Jabil Circuit's factory in China which offered substantially lower labor costs and logistics charges as well as design enhancements resulting in a higher level of product integration, lower component costs and efficiency gains in the manufacturing process. Gross profit (loss) as a percentage of revenue increased from (0.9)% in fiscal 2012 to 5.6% in fiscal 2013, primarily due to the same factors. Prior to fiscal 2013, higher manufacturing costs in Israel had resulted in lower margins.

*Operating Expenses:**Research and Development, Net*

	Fiscal Year Ended		2012 to 2013	
	June 30,		Change	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Research and development, net	\$ 13,783	\$ 15,823	\$ 2,040	14.8%

Research and development, net increased by \$2.0 million, or 14.8%, in fiscal 2013 as compared to fiscal 2012, primarily due to a \$1.5 million increase in salaries and personnel-related expenses as a result of increases in headcount. In addition, third-party engineering fees and patent, product certification and other outside services fees increased by approximately \$0.7 million, primarily due to the development of new features for our next generation of products. These amounts were partially offset by \$0.2 million received pursuant to a grant from the Binational Industrial Research and Development Foundation to support the development of a proposed product.

Sales and Marketing

	Fiscal Year Ended		2012 to 2013	
	June 30,		Change	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Sales and marketing	\$ 9,926	\$ 12,784	\$ 2,858	28.8%

Sales and marketing expenses increased by \$2.9 million, or 28.8%, in fiscal 2013 as compared to fiscal 2012, primarily due to an increase in salaries, commissions and personnel-related expenses of \$2.2 million resulting from the expansion of our sales organization in order to increase product awareness and expand our sales presence in new markets. In addition, the use of outside services and expenses associated with our international sales offices, travel and other directly related overhead costs increased by \$1.1 million. These increases were partially offset by a decrease in costs related to trade shows and marketing activities of \$0.5 million.

General and Administrative

	Fiscal Year Ended June 30,		2012 to 2013	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
General and administrative	\$ 3,074	\$ 3,262	\$ 188	6.1%

General and administrative expenses increased by \$0.2 million, or 6.1%, in fiscal 2013 as compared to fiscal 2012, primarily due to a \$122,000 increase in salaries and personnel-related expenses as a result of increases in headcount. In addition, professional services fees increased by \$63,000. The additional personnel expenses and professional services fees were primarily the result of our ongoing efforts to enhance the legal, finance, reporting, human resources, recruiting and information technology functions required of a growing company.

Financial Expenses

	Fiscal Year Ended June 30,		2012 to 2013	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Financial expenses	\$ 287	\$ 612	\$ 325	113.2%

Financial expenses increased by \$0.3 million, or 113.2%, in fiscal 2013 as compared to fiscal 2012, primarily due to a \$0.9 million increase in interest expense related to the Kreos term loan which was outstanding for all of fiscal 2013 and only a portion of fiscal 2012 and a \$0.2 million increase in interest expense related to our revolving line of credit due to higher average outstanding borrowings during 2013, partially offset by increased income from foreign currency fluctuations and exchange rate differences, net of other bank charges, of \$0.8 million.

Taxes on Income

	Fiscal Year Ended June 30,		2012 to 2013	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Taxes on income	\$ 36	\$ 108	\$ 72	200.0%

Taxes on income increased by \$0.1 million, or 200.0%, in fiscal 2013 as compared to fiscal 2012, primarily due to the initiation of tax payments in Germany.

Net Loss

	Fiscal Year Ended June 30,		2012 to 2013	
	<u>2012</u>	<u>2013</u>	<u>Change</u>	
	(Dollars in thousands)			
Net loss	\$ (27,783)	\$ (28,180)	\$ (397)	(1.4)%

As a result of the factors discussed above, our net loss increased by \$0.4 million, or 1.4%, in fiscal 2013 as compared to fiscal 2012.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statement of operations data for each of the nine quarters ended December 31, 2014. The data presented below has been prepared on the same basis as the audited consolidated financial statements included elsewhere in this prospectus and, in the opinion of management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	Three Months Ended								
	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013	Dec. 31, 2013	Mar. 31, 2014	June 30, 2014	Sept. 30, 2014	Dec. 31, 2014
	(In thousands)								
Revenues	\$ 22,631	\$ 14,992	\$ 22,928	\$ 30,515	\$ 27,569	\$ 30,560	\$ 44,573	\$ 66,969	\$ 73,290
Cost of revenues	21,406	13,464	20,092	26,457	24,609	24,331	35,849	52,939	57,509
Gross profit (loss)	1,225	1,528	2,836	4,058	2,960	6,229	8,724	14,030	15,781
Operating expense									
Research and development, net	4,041	4,021	3,790	4,136	4,686	4,864	4,570	5,059	4,768
Sales and marketing	2,988	3,187	3,475	3,657	4,123	4,592	5,420	5,461	5,658
General and administrative	669	854	883	792	1,010	1,318	1,174	1,159	1,121
Total operating expenses	7,698	8,062	8,148	8,585	9,819	10,774	11,164	11,679	11,547
Operating income (loss)	(6,473)	(6,534)	(5,312)	(4,527)	(6,859)	(4,545)	(2,440)	2,351	4,234
Financial expenses (income)	(21)	192	721	777	914	626	470	(516)	458
Income (loss) before taxes on income	(6,452)	(6,726)	(6,033)	(5,304)	(7,773)	(5,171)	(2,910)	2,867	3,776
Taxes on income	—	—	108	7	14	67	132	347	401
Net income (loss)	\$ (6,452)	\$ (6,726)	\$ (6,141)	\$ (5,311)	\$ (7,787)	\$ (5,238)	\$ (3,042)	\$ 2,520	\$ 3,375

Liquidity and Capital Resources

The following table shows our cash flows from operating activities, investing activities and financing activities for the stated periods:

	Fiscal Year Ended June 30,			Six Months Ended	
	2012	2013	2014	2013	2014
	(In thousands)				
Net cash provided by (used in) operating activities	\$ (22,338)	\$ (23,107)	\$ (17,845)	\$ (7,953)	\$ 9,409
Net cash used in investing activities	(2,178)	(2,778)	(3,147)	(1,456)	(4,971)
Net cash provided by financing activities	40,417	19,676	17,676	5,937	9,657
Increase (decrease) in cash and cash equivalents	\$ 15,901	\$ (6,209)	\$ (3,316)	\$ (3,472)	\$ 14,095

Since the Company's founding through the quarter ended September 30, 2014, we financed our operations with the net proceeds from sales of preferred stock, short and long-term debt borrowings and cash receipts from sales of our products.

The Company generated a positive cash flow from operating activities of \$9.4 million during the six months ended December 31, 2014.

As of December 31, 2014, our cash and cash equivalents were \$23.8 million. This amount does not include \$3.4 million of restricted cash (primarily held to secure letters of credit to vendors and bank guarantees securing office lease payments). Net working capital as of December 31, 2014 was \$28.7 million.

As of December 31, 2014, we had no outstanding borrowings and \$20 million available for additional borrowings under our \$20 million revolving line of credit with SVB and \$4.7 million of outstanding borrowings under the Kreos term loan, of which \$3.4 million was payable through December 31, 2015 and \$1.3 million was payable through May 1, 2016.

On January 26, 2015, we repaid the entire outstanding balance of the Kreos term loan.

Operating Activities

For the six months ended December 31, 2014, cash provided by operating activities was \$9.4 million mainly due to net income of \$5.9 million, which included \$1.5 million of non-cash expenses. An increase of \$22.1 million in inventories, \$10.7 million in prepaid expenses and other receivables and \$5.9 million in trade receivables was offset by an increase of \$26.9 million in accruals for employees and other accounts payable, \$6.1 million in warranty obligations, \$6.0 million in trade payables, and \$1.7 million in deferred revenues.

For the six months ended December 31, 2013, cash used in operating activities was \$8.0 million mainly due to a net loss of \$13.1 million that included \$2.0 million of non-cash expenses. An increase of \$5.3 million in inventories, \$3.9 million in account receivables, \$3.0 million in prepaid expenses and other receivables, a decrease of \$1.6 million in accruals for employees and other accounts payable and \$1.0 million in deferred revenues was offset by an increase of \$12.7 million in trade payables and \$5.2 million in warranty obligations.

For fiscal 2014, cash used in operating activities was \$17.8 million mainly due to a net loss of \$21.4 million that included \$3.5 million of non-cash expenses. Although revenue grew 68.6% during fiscal 2014, we incurred a deficit in working capital while extending payments to our vendors to match collections from our customers and inventory management. Increases in fiscal 2014 compared to fiscal 2013 of \$9.9 million in trade receivables, \$7.4 million in prepaid expenses and other receivables and \$10.7 million in inventories, were offset by an increase of \$20.3 million in trade payables, \$7.8 million increase in warranty obligations and another \$1.7 million in accruals for employees and other accounts payable.

For fiscal 2013, cash used in operating activities was \$23.1 million, mainly due to a net loss of \$28.2 million that included \$3.7 million of non-cash expenses. Cash used in operating activities increased in fiscal 2013 as a result of an increase of \$1.0 million in trade receivables, a \$1.2 million increase in inventories and a \$9.6 million decrease in vendor accounts payable, offset by a \$3.8 million decrease in prepayments and other accounts receivable, a \$3.9 million increase in warranty obligations, a \$1.9 million increase in deferred revenues, and a \$3.3 million increase in accruals and other accounts payable.

For fiscal 2012, cash used in operating activities was \$22.3 million, mainly due to a net loss of \$27.8 million that included \$2.1 million of non-cash expenses. Cash used in operating activities increased in fiscal 2012 as a result of increases of \$3.9 million in trade receivables, \$6.1 million in prepayments and other accounts receivable and \$9.4 million in inventories, offset by increases of \$15.4 million in trade payables, \$3.6 million in warranty obligations, \$2.2 million in deferred revenues and \$0.9 million in accruals and other accounts payable.

Investing Activities

During the six months ended December 31, 2014, net cash used in investing activities was \$5.0 million, of which \$3.1 million related to capital investments in laboratory equipment, end of line testing equipment and manufacturing tools and \$1.9 million related to security deposits held to secure letters of credit to vendors and bank guarantees securing office lease payments.

During the six months ended December 31, 2013, net cash used in investing activities was \$1.5 million, mostly attributed to capital investments in laboratory equipment, end of line testing equipment and manufacturing tools.

During fiscal 2014, net cash used in investing activities was \$3.1 million, mostly attributed to capital investments in laboratory equipment, end of line testing equipment and manufacturing tools.

During fiscal 2013, net cash used in investing activities was \$2.8 million, of which \$1.5 million related to capital investments similar to those described above and \$1.1 million related to security deposits held to secure letters of credit to vendors.

During fiscal 2012, net cash used in investing activities was \$2.2 million, consisting primarily of \$4.0 million related to capital investments similar to those described above partially offset by a \$2.0 million decrease in restricted cash held to secure foreign currency hedging positions.

Financing Activities

For the six months ended December 31, 2014, net cash provided by financing activities was \$9.7 million, of which \$24.9 million was net proceeds from our Series E convertible preferred stock issuance and \$6.0 million was from short-term borrowings under our revolving line of credit with SVB, offset by \$19.3 million of repayment of the revolving line of credit with SVB, \$1.6 million of repayment of the Kreos term loan and \$0.3 million of expenses related to this offering.

For the six months ended December 31, 2013, net cash provided by financing activities was \$5.9 million, of which \$0.7 million was net proceeds from our Series D-2 convertible preferred stock issuance in fiscal 2014 and \$14.0 million was from short-term borrowings under our revolving line of credit with SVB, offset by \$7.9 million of repayment of the revolving line of credit with SVB and \$0.9 million of repayment made under the Kreos term loan.

For fiscal 2014, net cash provided by financing activities was \$17.7 million, of which \$10.7 million was net proceeds from our Series D-2 and Series D-3 convertible preferred stock issuances in fiscal 2014 and \$9.4 million was from short-term borrowings under our revolving line of credit with SVB, offset by \$2.4 million of repayment of the Kreos term loan.

For fiscal 2013, net cash provided by financing activities was \$19.7 million, of which \$10.3 million were net proceeds from our Series D-1 and Series D-2 convertible preferred stock issuances in fiscal 2013 and \$9.9 million of borrowings under the Kreos term loan.

For fiscal 2012, net cash provided by financing activities was \$40.4 million, \$36.9 million of which was net proceeds from our Series D convertible preferred stock issuance in fiscal 2012 and \$3.5 million of which was from short-term bank borrowing.

Debt Obligations

Revolving Line of Credit

In June 2011, we entered into an agreement with SVB for a revolving line of credit, which, as amended to date, permits aggregate borrowings of up to \$20 million in an amount not to exceed 80% of the eligible accounts receivable plus 65% of inventories in transit to customers and bears interest, payable monthly, at SVB's prime rate plus a margin of 0.75% to 2.75%. The average

interest rate on our outstanding borrowings for fiscal 2014 was 4.9%. The revolving line of credit will terminate, and outstanding borrowings will be payable, on July 4, 2015. As of December 31, 2014, the entire outstanding balance of the revolving line of credit had been repaid, and there were no amounts outstanding under the revolving line of credit.

In connection with the revolving line of credit, we granted SVB security interests in substantially all of our assets, including a first-priority security interest in our trade receivables, cash and cash equivalents (the "SVB Priority Collateral"). The agreement contains certain financial covenants requiring us to maintain EBITDA and liquidity at specified levels. Specifically, we are required to maintain EBITDA (defined as (a) net income on a non-GAAP basis, plus (b) interest expense, plus (c) to the extent deducted in the calculation of net income, depreciation expense and amortization expense, plus (d) income tax expense) of at least \$500,000 as of September 30, 2014 and December 31, 2014 and in an amount to be set by SVB in its reasonable discretion as of March 31, 2015 and June 30, 2015. In addition, we are required to maintain liquidity (defined as our unrestricted and unencumbered cash, plus availability under the revolving line of credit) of \$6,750,000. The revolving line of credit also contains covenants that restrict our ability to borrow money, grant liens, pay dividends, dispose of assets or engage in business combinations.

Term Loan

On December 28, 2012, we entered into a term loan agreement with Kreos, providing for a term loan of up to \$10 million, which was fully drawn on the closing date. The borrowings under the term loan were primarily used to finance working capital needs. On January 26, 2015, we repaid the entire outstanding balance of the Kreos term loan.

Interest on the term loan was payable monthly at a rate of 11.90% per year, compounded on a monthly basis. Principal is paid in 33 equal monthly installments from September 1, 2013 through May 1, 2016, the last of which was prepaid in advance pursuant to the terms of the term loan. As of December 31, 2014, the term loan had an outstanding principal balance of \$4.7 million. Payments of principal and interest on the term loan were in Euros.

In connection with the term loan agreement, we granted Kreos 563,014 D-1 Warrants to purchase Series D-1 convertible preferred shares at an exercise price of \$2.309. The D-1 Warrants are exercisable in whole or in part prior to earliest of (i) December 28, 2022, (ii) 12 months after a qualified initial public offering or (iii) immediately prior to the consummation of a merger or sale of all or substantially all of the Company's assets. If the holder exercises all Series D-1 Warrants in full upon or, if applicable, after an event described in (ii) or (iii) and the fair market value (as defined in the Series D-1 Warrants) of the shares received upon exercise, less the exercise price, is less than \$750,000, the terms of the Series D-1 Warrants require the Company to pay the difference to the holder.

Based on our current financial condition, and following the consummation of a \$25 million Series E convertible preferred financing in October 2014, we believe that liquidity from available sources, without giving effect to the proceeds from this offering, will be adequate to fund our current and long-term debt obligations as well as our planned capital expenditures and business plans over the next 12 months. In the future, we expect our operating and capital expenditures to increase as we expand our business and grow our revenue, which results in increased accounts receivable and inventory balances, and increased headcount. Our ability to generate cash from operations is subject to substantial risks described under the caption "Risk Factors." If any of these risks materialize, we may be unable to generate or sustain positive cash flow from operating activities or raise additional capital. We would then be required to use existing cash and cash equivalents to support our working capital and other cash requirements. If additional sources of liquidity are required to support our working capital requirements or operational expansion, we may

seek to raise funds through debt financing or from other sources in the future, but we can provide no assurance that these transactions could be consummated on terms acceptable to us or at all. Failure to raise sufficient capital when needed could have a material adverse effect on our business, results of operations and financial position.

Contractual Obligations

The following table summarizes our outstanding contractual obligations as of June 30, 2014:

	Payment Due By Period				
	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	More Than 5 Years
	(In thousands)				
Operating leases(1)	\$ 1,052	\$ 727	\$ 219	\$ 106	—
Purchase commitments under agreements(2)	37,042	37,042	—	—	—
Term loan(3)	6,918	3,474	3,444	—	—
Interest payments on debt(3)	1,226	940	286	—	—
Revolving line of credit(4)	13,326	—	13,326	—	—
Total	\$ 59,564	\$ 42,183	\$ 17,275	\$ 106	—

- (1) Represents future minimum lease commitments under non-cancellable operating lease agreements through which we lease our operating facilities. Does not include payments we will make under non-cancelable leases we entered into in July and October 2014 in anticipation of relocating our office spaces in Israel and California. We expect to make annual payments under these leases of approximately \$1.7 million for 10 years for the offices in Israel and approximately \$0.4 million for 5 years for the offices in California beginning in January 2015 when the lease terms commence.
- (2) Represents non-cancelable amounts associated with our manufacturing contracts. Such purchase commitments are based on our forecasted manufacturing requirements and typically provide for fulfillment within agreed-upon or commercially standard lead-times for the particular part or product. The timing and amounts of payments represent our best estimates and may change due to business needs and other factors.
- (3) On January 26, 2015, we repaid the entire outstanding balance of the Kreos term loan.
- (4) On October 14, 2014, we repaid the entire outstanding balance of the revolving line of credit.

Off-Balance Sheet Arrangements

In fiscal 2012, 2013 and 2014 and as of December 31, 2014, we did not have any off-balance sheet arrangements.

Critical Accounting Policies and Significant Management Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP") The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates. Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations

because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

Revenue Recognition

We generate revenues from the sale of DC optimized inverter systems for solar PV installations which include our power optimizers, inverters and cloud-based monitoring platform. Our worldwide customer base includes large solar installers, distributors, EPCs and PV module manufacturers. Our products are fully functional at the time of shipment to the customer and do not require production, modification or customization. We recognize revenues when all of the following conditions are met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred; (iii) the price is fixed or determinable and (iv) collectability is reasonably assured. Provisions for rebates, sales incentives, and discounts to customers are accounted for as reductions in revenue in the same period that the related sales are recorded.

We generally sell our products to our customers pursuant to a customer's standard purchase order and our customary terms and conditions. We do not offer rights to return our products other than for normal warranty conditions, and as such revenue is recorded upon shipment of products to customers and transfer of title and risk of loss under standard commercial terms. We evaluate the creditworthiness of our customers to determine that appropriate credit limits are established prior to the acceptance and shipment of an order.

Prior to May 2013, we provided our full web-based monitoring platform free of charge for a limited period of time after which the customer could elect whether to continue and receive a basic service for free or subscribe for a full line of services. Revenues associated with our web-based monitoring platform were recognized ratably over the term of 18 to 36 months (the free of charge period) and revenues associated with the basic functionality were recognized ratably over 25 years. Since May 2013, we have provided our full web-based monitoring platform free of charge and revenues associated with the service since that date are being recognized ratably over 25 years. In the absence of vendor-specific objective evidence or third party comparable pricing for such service, management determines the revenue levels of this service based on the costs associated with providing the service plus appropriate margins that reflect management's best estimate of the selling price. Since May 2013, these revenues were minimal and we do not expect this to become a significant source of revenue in the near future.

Product Warranty

We provide a standard limited product warranty against defects in materials and workmanship under normal use and service conditions. Our standard warranty period is 25 years for our power optimizers and 12 years for our inverters. In certain cases, customers can purchase extended warranties for inverters that increase the warranty period to 25 years.

Our products are designed to meet the warranty periods and our reliability procedures cover component selection, design, accelerated life cycle tests and end of manufacturing line testing. However, since our history in selling power optimizers and inverters is substantially shorter than the warranty period, the calculation of warranty provisions is inherently uncertain.

We accrue for estimated warranty costs at the time of sale based on anticipated warranty claims and actual historical warranty claims experience. Warranty provisions are computed on a per-unit sold basis, are based on our best estimate of such costs and are included in our cost of revenues. The warranty obligation is determined based on actual and predicted failure rates of the products, cost of replacement and service and delivery costs incurred to correct a product failure. Our warranty obligation requires management to make assumptions regarding estimated failure rates and replacement costs.

In order to predict the failure rate of each of our products, we have established a reliability model based on the estimated mean time between failures ("MTBF"). The MTBF represents the average elapsed time predicted for each product unit between failures during operation. Applying the MTBF failure rate over our install base for each product type and generation allows us to predict the number of failed units over the warranty period and estimates the costs associated with the product warranty. Predicted failure rates are updated periodically based on data returned from the field and new product versions, as are replacement costs which are updated to reflect changes in our actual production costs for our products, labor costs and actual logistics costs.

Since the MTBF model does not take into account additional non-systematic failures such as failures caused by workmanship or manufacturing or design-related issues, and since warranty claims are at times opened for cases in which the error has been triggered by an improper installation, we have developed a supplemental model to predict such cases and recognize the associated expenses ratably over the expected claim period. This model, which is based on actual root cause analysis of returned products, identification of the causes of claims and time until each identified problem is revealed, allows us to better predict actual warranty expenses and is updated periodically based on our experience, taking into account the installed base of approximately 4.5 million power optimizers and approximately 201,000 inverters as of December 31, 2014.

If actual warranty costs differ significantly from these estimates, adjustments may be required in the future, which could adversely affect our gross profit and results of operations. Warranty obligations are classified as short term and long term warranty obligations based on the period in which the warranty is expected to be claimed. The warranty provision (short and long term) was \$6.5 million, \$10.4 million and \$18.2 million in fiscal 2012, 2013 and 2014, respectively, and was \$15.6 million and \$24.3 million for the six months ended December 31, 2013 and 2014, respectively.

Inventory Valuation

Our inventories comprise sellable finished goods, raw materials bought on behalf of our contract manufacturers and faulty units returned under our warranty policy.

Sellable finished goods and raw material inventories are valued at the lower of cost or market, based on the moving average cost method. Certain factors could affect the realizable value of our inventories, including market and economic conditions, technological changes, existing product changes (mainly due to cost reduction activities) and new product introductions. We consider historic usage, expected demand, anticipated sales price, the effect of new product introductions, product obsolescence, product merchantability and other factors when evaluating the value of inventories. Inventory write-downs are equal to the difference between the cost of inventories and their estimated fair market value. Inventory write-downs are recorded as cost of revenues in the accompanying statements of operations and were \$0.3 million, \$0.4 million and \$1.1 million in fiscal 2012, 2013 and 2014, respectively, and were \$0.5 million and \$0.5 million for the six months ended December 31, 2013 and 2014, respectively.

Faulty products returned under our warranty policy are often refurbished and used as replacement units in warranty cases. As we do not yet have sufficient history of refurbish utilization rates, such products are written off upon receipt.

We do not believe that there is a reasonable likelihood that there will be a material change in the future estimates or assumptions that we use to record inventory at the lower of cost or market. However, if estimates regarding customer demand are inaccurate or changes in technology affect demand for certain products in an unforeseen manner, we may be exposed to losses that could be material.

Stock-Based Compensation Expense

We account for stock-based compensation granted to employees, non-employee directors and independent contractors in accordance with ASC 718, "Compensation — Stock Compensation" and ASC 505-50, "Equity-Based Payments to Non-Employees," which require the measurement and recognition of compensation expense for all stock-based payment awards based on fair value.

The fair value of each option award is estimated on the grant date using the Black-Scholes-Merton option-pricing model. The stock-based compensation expense, net of forfeitures, is recognized using a straight-line basis over the requisite service period of the award, which is generally four years. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

Key Assumptions

The Black-Scholes-Merton option-pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected volatility of the price of our common stock, the expected term of the option, risk-free interest rates and the expected dividend yield of our common stock. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future. These assumptions are estimated as follows:

- *Fair value of our common stock.* Because our stock has not been publicly traded prior to this offering, we have estimated the fair value of our common stock, as discussed in " — Common Stock Valuations" below. Upon the completion of this offering, our common stock will be valued by reference to the trading price of our common stock in the public market.
- *Expected term.* The expected term represents the period that our stock-based awards are expected to be outstanding. For stock option awards that were at the money when granted, we have based our expected term on the simplified method available under SAB 110, as we do not have sufficient historical experience for determining the expected term of the stock option awards granted. For stock-option awards that were in the money when granted, we use an expected term that we believe is appropriate under these circumstances, which is not materially different than determining the expected term based on a lattice model.
- *Risk-free rate.* The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected terms of the options for each option group.
- *Dividend yield.* We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

If any of the assumptions used in the Black-Scholes-Merton model change significantly, future stock-based compensation awards for employees may differ materially compared with the awards granted previously.

The following table presents the assumptions used to estimate the fair value of options granted to employees during the periods presented:

	Fiscal Year Ended June 30,			Six Months Ended December 31,	
	2012	2013	2014	2013 (unaudited)	2014
Expected term (in years)	6.02 – 6.27 years	6.08 – 6.27 years	6.02 – 6.27 years	6.08 – 6.27 years	6.02 – 6.27 years
Expected volatility	62.7% – 68.0%	55.8% – 62.7%	46.3% – 55.8%	53.0 – 55.8%	46.5 – 54.5%
Risk-free rate	0.92% – 1.86%	0.74% – 1.00%	1.62% – 1.94%	1.62% – 1.69%	1.77% – 2.06%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%

During the six months ended December 31, 2013 and 2014, we incurred a non-cash stock-based compensation expense of \$513,000 and \$780,000, respectively. During fiscal 2012, 2013 and 2014, we incurred a non-cash stock-based compensation expense of \$842,000, \$1,078,000 and \$1,082,000, respectively. We expect to continue to grant stock options in the future, and to the extent that we do, our actual share-based compensation expense for employees and consultants recognized will likely increase.

Common Stock Valuations

In the absence of a public trading market for our common stock, our board of directors has determined the estimated fair value of our common stock at the grant date. We perform the valuation of our common stock in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. In order to value the common stock underlying all option grants, we determined our business equity value by taking a weighted combination of the value indications using two valuation approaches: an income approach and a market approach.

Valuation models employed in determining our enterprise value require the input of highly subjective assumptions. In determining enterprise value under the income approach, a discount rate is applied to the estimated future net cash flows of a company to derive a single present value of the enterprise. The discounted cash flow model used to calculate our enterprise value included, among others, the following assumptions: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow our business; and an appropriate risk-adjusted discount rate. The market approach estimates the fair value of our Company by applying market multiples of the corresponding financial metrics of publicly traded firms in similar lines of business to our historical and/or projected financial metrics. We selected comparable companies based on factors such as business similarity, financial risk, company size and geographic markets. In applying this method, valuation multiples were: (i) derived from historical operating data of the selected comparable entities; (ii) evaluated and/or adjusted based on our strengths and weaknesses relative to the comparable entities and (iii) applied to our operating data to arrive at a value indication.

Enterprise value, adjusted for cash and debt, was allocated to the shares of convertible preferred stock, warrants, options and shares of common stock using an option pricing method or a probability-weighted estimated return method ("PWERM"), depending on our stage of development. The option pricing method treats convertible preferred stock, warrants, options and shares of common stock as call options on the total equity value of a company, and uses the Black-Scholes option pricing model to price the call options. This model defines the securities' fair values as functions of the current fair value of a company and requires the use of assumptions such as the anticipated holding period and the estimated volatility of the equity securities. Under the PWERM, the value of common stock is estimated based upon an analysis of future values for

the enterprise assuming various scenarios and potential future expected outcomes (e.g., an initial public offering, a merger or sale, continuing as a private company, or dissolution with no value to common stockholders). Enterprise value is allocated to convertible preferred stock, warrants, options and shares of common stock based on the rights and characteristics of each equity instrument. The resulting share value is based upon the probability-weighted present value of expected future investment returns.

We granted the following stock option awards to employees and non-employee consultants between July 1, 2011 and the date of this prospectus:

<u>Option Grant Date</u>	<u>Number of Options Granted</u>	<u>Fair Value Per Share of Common Stock at Grant Date(\$)</u>	<u>Exercise Price(\$)</u>
July 20, 2011	80,000	0.79	0.67
September 14, 2011	330,000	0.81	0.67
January 26, 2012	2,829,750	0.90	0.82
June 6, 2012	562,000	1.02	0.82
July 24, 2012	106,500	0.99	0.82
September 9, 2012	350,000	0.92	0.82
October 24, 2012	445,000	0.89	0.82
January 23, 2013	150,000	0.88	1.01
April 24, 2013	111,000	1.05	1.01
July 31, 2013	205,000	1.18	1.01
October 30, 2013	139,000	1.22	1.01
January 27, 2014	1,229,500	1.25	1.17
May 1, 2014	191,000	1.29	1.17
September 17, 2014	292,500	1.55	1.32
October 29, 2014	2,909,750	1.66	1.67
December 17, 2014	507,000	2.82	1.67
December 22, 2014	2,331,758	2.93	1.67
January 29, 2015	290,000	*	1.67
January 29, 2015	110,000	*	3.12

* Our board is currently in the process of determining the fair value of our common stock in relation to this grant. Our board plans to consider an independent third party valuation in connection with this determination.

We believe we applied a reasonable valuation method to determine the stock option exercise prices on the respective stock option grant dates. We obtained retrospective independent third party valuations that were performed with respect to the fair value of our common stock as of October 18, 2011, June 30, 2012, December 31, 2012, June 30, 2013, December 31, 2013, July 14, 2014, October 28, 2014 and December 31, 2014. A combination of factors led to changes in the fair value of our common stock. Certain of the significant factors considered by the independent valuation specialist and affirmed by our board of directors to determine the fair value per share of our common stock for purposes of calculating stock-based compensation costs during this period included:

July 2011 and September 2011 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$0.79 and \$0.81, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from September 27, 2010 to October 18, 2011. Specifically, the increase in our common stock value

between these dates was consistent with the increase in our revenues and the Company's valuation as reflected in our series D investment pre-money valuation. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

January 2012 and June 2012 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$0.90 and \$1.02, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from October 18, 2011 to June 30, 2012. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues. There were no significant intervening events or conditions that were identified between October 18, 2011 and June 30, 2012. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

For June 30, 2012, our board determined the fair value of our common stock to be \$1.01 per share. As part of this determination, our board considered an independent third party valuation, conducted for June 30, 2012, which included the following key assumptions:

- The Company's equity fair value based on a weighted income approach and market approach of \$157.4 million;
- Lack of marketability discount of 20.9%;
- Expected term of 2 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 62.7%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.34%, based on U.S. treasury constant maturities with a time to maturity of 2 years as of the valuation date.

July 2012, September 2012, and October 2012 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$0.99, \$0.92 and \$0.89, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from June 30, 2012 to December 31, 2012. Specifically, the decrease in our common stock value between these dates was consistent with the decrease in our revenues. For June 30, 2012 and December 31, 2012, a general weakness in the solar sector, caused mainly by an overall decrease in feed-in tariffs across Europe, led to a sharp decline in revenues. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

For December 31, 2012, our board determined the fair value of our common stock to be \$0.82 per share. As part of this determination, our board considered an independent third party valuation, conducted for December 31, 2012, which included the following key assumptions:

- The Company's equity fair value based on a weighted income approach and market approach of \$144.5 million, a decrease of \$12.9 million from our prior valuation as of June 30, 2012;
- Lack of marketability discount of 19.3%;
- Expected term of 2 years, representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 58.3%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.36%, based on U.S. treasury constant maturities with a time to maturity of 2 years as of the valuation date.

January 2013 and April 2013 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$0.88 and \$1.05, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from December 31, 2012 to June 30, 2013. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues, better visibility into the second half of 2013 and penetration of the U.S. market. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

For June 30, 2013, our board determined the fair value of our common stock to be \$1.17 per share. As part of this determination, our board considered an independent third party valuation, conducted for June 30, 2013, which included the following key assumptions:

- The Company's equity fair value based on a weighted income approach and market approach of \$188.1 million, an increase of \$43.6 million from our prior valuation as of December 31, 2012;
- Lack of marketability discount of 28.5%;
- Expected term of 1.5 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 55.8%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.30%, based on U.S. treasury constant maturities with a time to maturity of 1.5 years as of the valuation date.

July 2013 and October 2013 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$1.18 and \$1.22, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from June 30, 2013 to December 31, 2013. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues in these specific quarters and improvement in the solar sector as a whole. There were no significant intervening events or conditions that were identified between June 30, 2013 and December 31, 2013. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

For December 31, 2013, our board determined the fair value of our common stock to be \$1.24 per share. As part of this determination, our board considered an independent third party valuation, conducted for December 31, 2013, which included the following key assumptions:

- The Company's equity fair value based on a weighted income approach and market approach of \$190.1 million, an increase of \$2.0 million from our prior valuation as of June 30, 2013;
- Lack of marketability discount of 25.6%;
- Expected term of 1.25 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 53.0%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.20%, based on U.S. treasury constant maturities with a time to maturity of 1.25 years as of the valuation date.

January 2014 and May 2014 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$1.25 and \$1.29, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from

December 31, 2013 to July 14, 2014. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues. In July 2014, the Company accepted a term sheet for an investment in the Company's shares from an outside investor which served as a basis for a third party valuation as of July 14, 2014. Accordingly, we determined that the reasonable approach was to take the estimated fair value based on the linear progression of the two valuations to reflect the ongoing growth and value of our business.

For July 14, 2014, our board determined the fair value of our common stock to be \$1.31 per share. As part of this determination, our board considered an independent third party valuation, conducted for July 14, 2014, which included the following key assumptions:

- Application of the PWERM, assuming 40% probability of an initial public offering of our common stock and a 60% probability of merger or sale;
- Lack of marketability discount of 27.3%;
- Expected term of 1.21 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 45.0%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.09%, based on U.S. treasury constant maturities with a time to maturity of 1.21 years as of the valuation date.

September 2014 and October 2014 grants. Our board concluded that the continued development of our business made it appropriate to apply values of \$1.55 and \$1.66, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from July 14, 2014 to October 28, 2014. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues and business performance in our key markets. We determined that the reasonable approach was to take the estimated fair value based on the linear progression of the external valuation for July 14, 2014 and a second external valuation for October 28, 2014 to reflect the ongoing growth and value of our business.

For October 29, 2014, our board determined the fair value of our common stock to be \$1.67 per share. In connection with this determination, our board considered an independent third party valuation, conducted for October 28, 2014, which included the following key assumptions:

- Application of the PWERM, assuming 50% probability of an initial public offering of our common stock and a 50% probability of merger or sale;
- Lack of marketability discount of 24.6%;
- Expected term of 0.92 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 47.0%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.12%, based on U.S. treasury constant maturities with a time to maturity of 0.92 years as of the valuation date.

In addition, our board considered (1) our preparations for an initial public offering of our common stock with investment banks and, as a result, an increase in the probability of the initial public offering scenario from 40% to 50%; (2) a firm value derived from an initial public offering scenario based on comparable companies and (3) the consistent increase in our operating and financial performance.

December 2014 grants. On December 17, 2014, our board granted 507,000 stock option awards to certain employees, and on December 22, 2014, our board granted 2,331,758 stock

option awards to our Chief Executive Officer, Guy Sella. Our board concluded that the continued development of our business made it appropriate to apply a value of \$2.82 and \$2.93, respectively, to our common stock, based upon a straight line interpolation between the concluded fair values from October 28, 2014 to December 31, 2014. Specifically, the increase in our common stock value between these dates was consistent with the increase in our revenues and business performance in our key markets. We determined that the reasonable approach was to take the estimated fair value based on the linear progression of the external valuation for December 31, 2014 to reflect the ongoing growth and value of our business.

For December 31, 2014, our board determined the fair value of our common stock to be \$3.14 per share. In connection with this determination, our board considered an independent third party valuation, conducted for December 31, 2014, which included the following key assumptions:

- Application of the PWERM, assuming 50% probability of an initial public offering of our common stock and a 50% probability of merger or sale;
- Lack of marketability discount of 16.6%;
- Expected term of 0.75 years representing the period starting on the valuation date and ending on an expected liquidation event date;
- Expected volatility of 54.5%, based on the average volatility of comparable companies; and
- Risk-free rate of 0.24%, based on U.S. treasury constant maturities with a time to maturity of 0.75 years as of the valuation date.

January 2015 grants. On January 29, 2015, our board granted 400,000 stock option awards to certain employees. Our board is currently in the process of determining the fair value of our common stock in relation to the January 2015 grants. Our board plans to consider an independent third party valuation in connection with this determination.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates, customer concentrations and interest rates. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Exchange Risk

Approximately 80% and 44% of our revenues for fiscal 2013 and fiscal 2014, respectively, were earned in non-U.S. dollar denominated currencies, principally the Euro and British pound sterling. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. dollar and New Israeli Shekel, and to a lesser extent the Euro and British pound sterling. Our New Israeli Shekel-denominated expenses consist primarily of personnel and overhead costs. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. A hypothetical 10% change in foreign currency exchange rates between the Euro and the U.S. dollar would have an immaterial effect on our fiscal 2014 net losses as a result of our foreign currency hedging transactions discussed below. A hypothetical 10% change in foreign currency exchange rates between the New Israeli Shekel and the U.S. dollar would have an immaterial effect on our fiscal 2014 net losses.

For purposes of our consolidated financial statements, local currency assets and liabilities are translated at the rate of exchange to the U.S. dollar on the balance sheet date and local currency

revenues and expenses are translated at the exchange rate as of the date of the transaction or at the average exchange rate to the U.S. dollar during the reporting period.

To date, we have used derivative financial instruments, specifically foreign currency forward contracts, to manage exposure to foreign currency risks by hedging a portion of our account receivable balances denominated in Euros expected to be paid within six months. Our foreign currency forward contracts are expected to mitigate exchange rate changes related to the hedged assets. We do not use derivative financial instruments for speculative or trading purposes.

We had cash and cash equivalents of \$13.1 million, \$9.8 million and \$23.8 million at June 30, 2013, June 30, 2014 and December 31, 2014, respectively, which was held for working capital purposes. We do not enter into investments for trading or speculative purposes. Since most of our cash and cash equivalents are held in U.S. dollar-denominated money market funds, we believe that our cash and cash equivalents do not have any material exposure to changes in exchange rates.

Interest Rate Risk

As of December 31, 2014, we had no outstanding borrowings under our SVB revolving line of credit. Interest on borrowings under the revolving line of credit accrues at SVB's prime rate plus a margin of 0.75% to 2.75%. The average interest rate on our outstanding borrowings for fiscal 2014 was 4.9%. Based on outstanding borrowings as of June 30, 2014, a 10% increase in the interest rate on these borrowings would increase interest expense by approximately \$65,000 on an annual basis.

Concentrations of Major Customers

Our trade accounts receivables potentially expose us to a concentration of credit risk with our major customers. For fiscal 2014, one major customer accounted for 19.1% of total revenues, and as of June 30, 2014 this same customer accounted for approximately 31% of our consolidated trade receivables balance. We currently do not foresee a credit risk associated with these receivables. In fiscal 2013, no single customer accounted for more than 10% of total revenues and in fiscal 2012, one customer accounted for 11.9% of total revenues.

Inflation

We do not believe that inflation had a material effect on our business, financial condition or results of operations in the last three years. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Commodity Price Risk

We are subject to risk from fluctuating market prices of certain commodity raw materials, including copper, that are used in our products. Prices of these raw materials may be affected by supply restrictions or other market factors from time to time, and we do not enter into hedging arrangements to mitigate commodity risk. Significant price changes for these raw materials could reduce our operating margins if we are unable to recover such increases from our customers, and could harm our business, financial condition and results of operations.

INDUSTRY OVERVIEW

Cost of Electricity Continues to Increase

Global electricity consumption increased from 15,626 terawatt-hours ("TWh") in 2005 to 19,443 TWh in 2012, representing a CAGR of 3.2%, according to Enerdata sas. Growth in demand, combined with the retirement of aging electricity generation facilities, has forced utilities and governments to invest significant resources in increasing electricity production capacity. This investment, together with increased regulation of power plant emissions, has caused a steady increase in the price of electricity for the end consumer. For example, the Energy Information Administration reports that the average price of retail electricity in the U.S. increased from 2005 through 2012 at a CAGR of 2.8%. Similarly, Eurostat reports that European residential electricity prices increased from 2005 through 2012 at a CAGR of 4.0%.

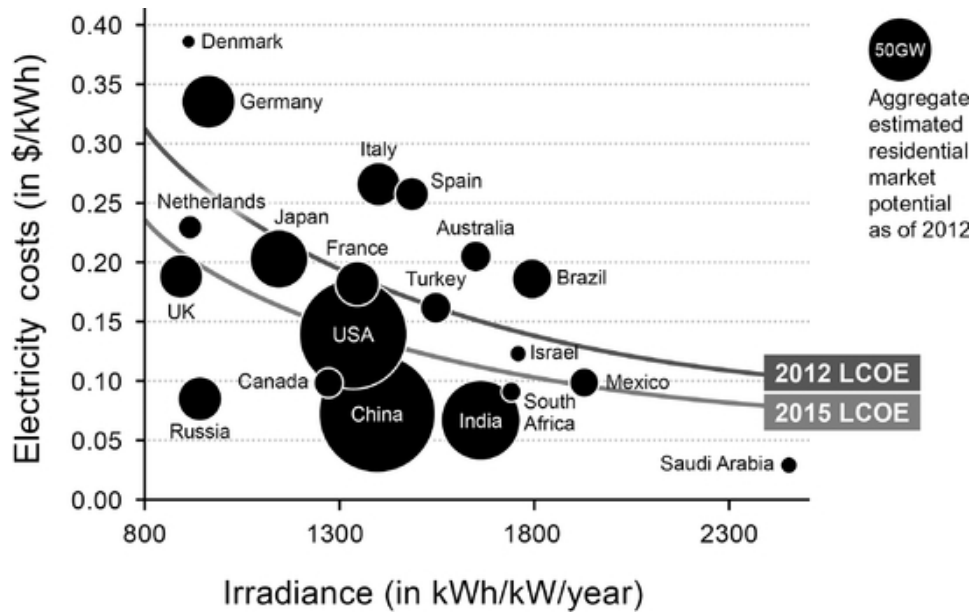
As electricity costs have continued to rise together with environmental concerns regarding traditional methods of producing electricity, consumers across the world have turned to renewable energy as a viable alternative source of electricity generation. According to the American Council on Renewable Energy ("ACORE"), renewable energy has become "a technology of choice" in the U.S., accounting for nearly 40% of all domestic electricity generation capacity installed in 2013. ACORE reports that solar accounted for 29% of all new renewable electricity generation capacity installed in the U.S. in 2013, rising from 10% in 2012, and in 2013 solar was the second-largest source of new electricity generating capacity behind natural gas.

Solar Is Reaching Grid Parity

While grid electricity prices have continued to increase, the cost of electricity generated from solar PV systems, often measured by the levelized cost of electricity ("LCOE"), has continued to decline rapidly, driven by improvements in solar PV technology and continued declines in equipment and financing costs. Additionally, unlike traditional sources of electricity generation, solar PV has no feedstock cost. These factors have brought solar PV power to "grid parity" in a number of markets, meaning that LCOE is at or less than the retail cost of grid electricity in the applicable market. Retail grid parity has been achieved as of 2012 in a number of significant markets including, within the U.S., Arizona, California, Connecticut, Hawaii, Nevada, New Hampshire, New Jersey, New Mexico, New York and Vermont (according to Deutsche Bank Markets Research), and outside the U.S., Australia, Brazil, Denmark, Germany, Italy, the Netherlands and Spain (according to Bloomberg New Energy Finance).

The chart below illustrates the 2012 residential LCOE curve for solar as well as the projected 2015 residential LCOE curve which shows projected future reductions in the LCOE for solar. As illustrated by the chart, areas with high irradiance are associated with a lower LCOE, while areas with low irradiance are associated with a higher LCOE. National residential markets are plotted according to local irradiance and local retail electricity prices, with estimated residential market potential indicated by relatively sized circles. Countries shown at or above the 2012 LCOE curve,

such as Australia, Brazil, Denmark, Germany, Italy and Spain, were already at grid parity as of 2012, while certain others are expected to come into grid parity as the LCOE curve moves lower.



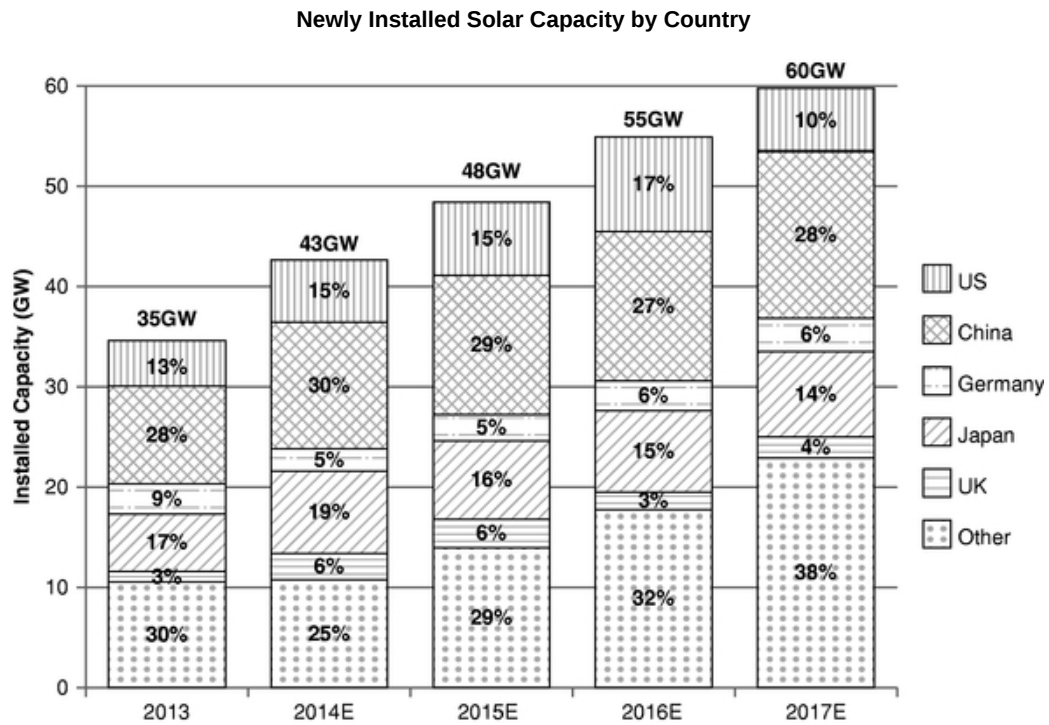
Note: LCOE based on 6% weighted average cost of capital, 0.7%/year module degradation, 1% capex as O&M annually. \$2.65/W capex assumed for 2012, \$2/W for 2015.

Source: Bloomberg New Energy Finance

Solar Energy is a Large and Growing Market

According to IHS Inc. ("IHS"), annual installed capacity of the global solar market is expected to grow from 34.6 GW in 2013 to 59.6 GW in 2017, representing a CAGR of 14.6%. Growth in PV inverter installations in key residential markets like the U.S. and China is expected to remain strong with expected CAGRs of 19.0% and 11.3%, respectively, during the same period, according to IHS, while at the same time, PV inverter installations in Europe, where several governments have scaled back their solar PV incentive programs under austerity measures adopted in response to the Eurozone economic crisis, are expected to grow from 10.3 GW in 2013 to 11.7 GW in 2017, representing a CAGR of 3.4%. In 2014, global solar PV market growth is expected to be driven in large part from Asia and North America, with China, Japan and the U.S. becoming the top three solar PV markets globally by newly installed capacity.

The chart below illustrates the aggregate new installed solar capacity in 2013 and expected growth from 2014 through 2017, for some of the key markets for solar PV.



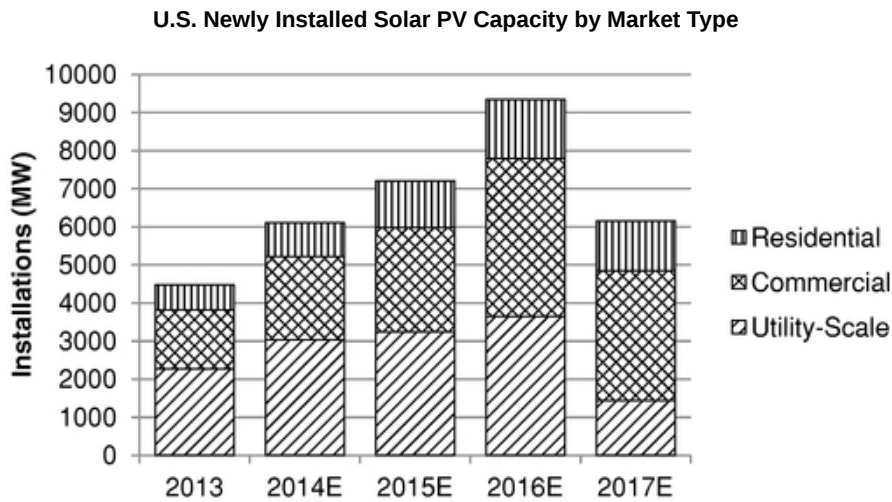
Source: IHS PV Inverters Report 2014

The solar energy market consists of three primary on-grid solar markets:

- *Residential.* Distributed solar PV systems for residential buildings; typically roof-mounted deployments smaller than 15 kilowatts (kW).
- *Commercial.* Distributed systems for commercial buildings; typically medium-sized roof-mounted deployments between 15 kW to 10 megawatts (MW).
- *Utility-Scale.* Centralized large-scale installations owned and operated by utilities; typically ground-mounted deployments larger than 10 MW.

The North American solar energy market is expected to grow significantly over the next several years. According to IHS, the entire U.S. installed capacity, which was less than 4.6 GW in 2013, is expected to grow to 6.3 GW by 2017, with U.S. residential solar installations expected to increase in aggregate capacity from 655 MW to 1,315 MW in the same period, representing a CAGR of 19.0%. According to ACORE, as of the beginning of 2014, more solar PV systems had been installed in the U.S. (by MW) in the last eighteen months than in the prior 30 years.

The graph below illustrates the aggregate installed capacity of residential, commercial and utility-scale grid-connected solar PV installations in the U.S. in 2013 and expected growth from 2014 through 2017.



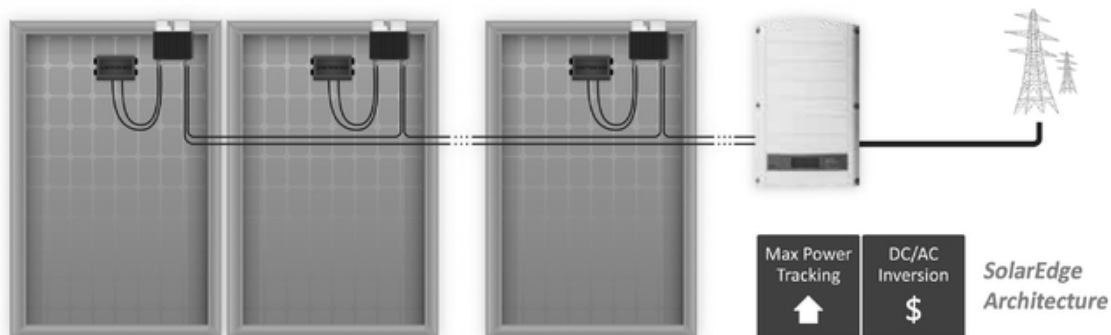
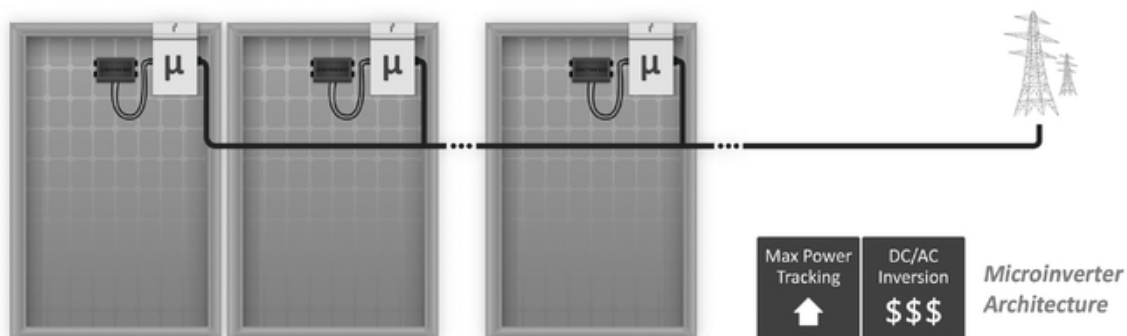
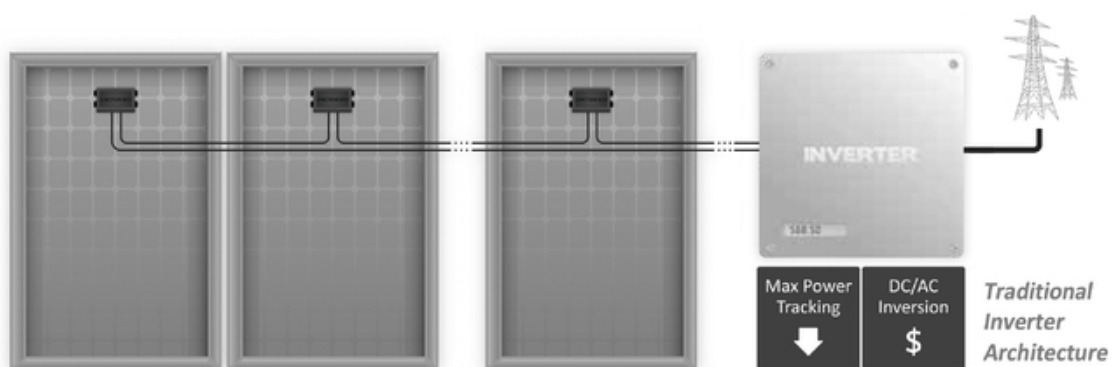
Source: IHS PV Inverters Report 2014

Emergence and Growth of Module-Level Power Electronics

A solar PV system consists of PV modules, which produce direct current ("DC") power when exposed to sunlight; an inverter, which transforms the DC power into alternating current ("AC") power that is required by the electricity grid; and associated cabling, fuse boxes and mounting hardware. Traditionally, solar PV systems connected strings of solar PV modules to one or more inverters for this energy conversion. According to IHS, the global inverter market accounted for approximately \$6.9 billion in revenues in 2013 and is expected to grow at a CAGR of 3.1% to reach approximately \$7.8 billion in revenues in 2017.

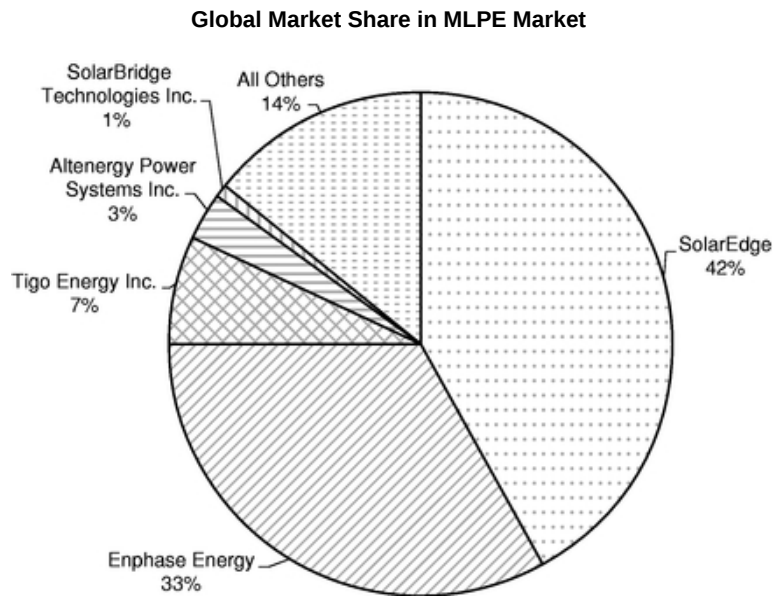
In recent years, advanced system architectures have achieved rapid adoption in solar PV installations. These systems use module-level power electronics ("MLPE"), such as power optimizers and microinverters, to monitor and optimize power output from the individual PV modules, and consequently are able to address problems relating to energy loss, design complexities and safety associated with traditional inverter systems. Microinverters place a dedicated inverter at each solar PV module while power optimizers generally use a central inverter in combination with a module-level DC optimizer.

The illustrations below depict certain key differences between traditional, microinverter and SolarEdge system architectures.



The MLPE market is composed of companies producing power optimizers and companies producing microinverters. SolarEdge and Enphase Energy, a provider of microinverters, accounted for approximately 80% of the global market for MLPE in 2013. The global market shares of

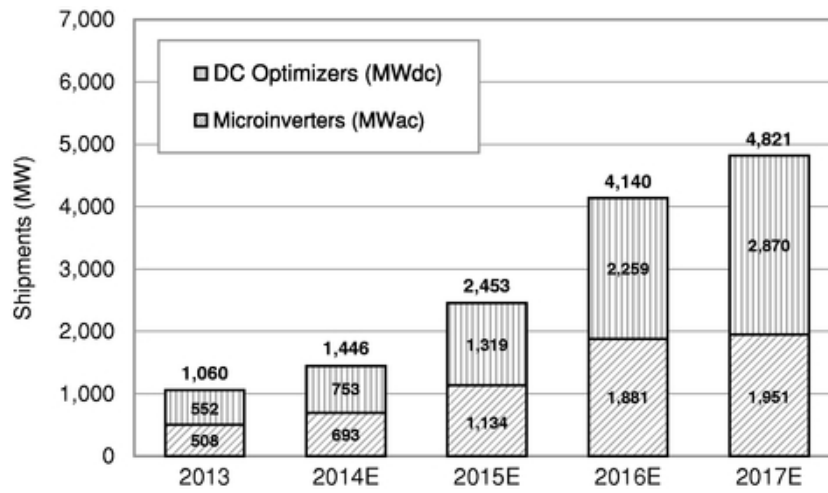
SolarEdge and the various other competitors in the MLPE market is illustrated below (for 2013 as measured by MW capacity shipped).



Source: GTM Research

Shipments of MLPE are expected to double from 2012 through 2014, and these technologies were used in 59% of the residential installations in the U.S. in 2013. According to GTM Research, the MLPE market is expected to grow from approximately 1 GW of annual installed capacity globally in 2013 to approximately 5 GW in 2017, representing a CAGR of 46.0%. DC optimizers are expected to account for 57% of the cumulative MLPE market (as measured by MW capacity shipped) between 2013 and 2017, with shipments expected to grow at a 47.6% CAGR, over the same time period. As shown in the graph below, the market share of power optimizers by MW is expected to continue to increase on both an absolute and relative basis. In particular, in North America, power optimizer penetration of the solar PV market (as measured by MW capacity) is expected to increase from approximately 4% as of 2013 to approximately 14% as of 2017, according to GTM Research.

Global MLPE Shipments (MW) by Technology



Source: GTM Research

As the market share of MLPE increases, shipments of DC optimizers are expected to grow at a rate outpacing that of microinverters. Microinverters are suited primarily for residential applications, while economies of scale render DC optimizers economically viable for large commercial and utility installations. In addition, microinverter architectures present significant implementation challenges for compliance with new grid codes, adding cost and complexity.

BUSINESS

Overview

We have invented an intelligent inverter solution that has changed the way power is harvested and managed in a solar PV system. Our DC optimized inverter system maximizes power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. Our system consists of our power optimizers, inverters and cloud-based monitoring platform and addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations. Since we began commercial shipments in 2010, we have shipped approximately 1.2 GW of our DC optimized inverter systems and our products have been installed in solar PV systems in 73 countries.

Historically, the solar PV industry used traditional string and central inverter architectures to harvest PV solar power. However, traditional inverter architectures result in energy losses as well as systemic challenges in design flexibility, safety and monitoring. More recently, microinverter technology was introduced in an attempt to resolve these challenges, but this technology has certain inherent limitations. We believe that our DC optimized inverter system, consisting of an inverter and distributed power optimizers, best addresses all of these challenges.

Our system allows for superior power harvesting and module management by deploying power optimizers at each PV module while maintaining a competitive system cost by keeping the AC inversion and grid interaction centralized using a simplified DC-AC inverter. The entire system is monitored through our cloud-based monitoring platform that enables reduced system operation and maintenance ("O&M") costs. Our system enables each PV module to operate at its own maximum power point ("MPP"), rather than a system-wide average, enabling dynamic response to real-world conditions, such as atmospheric conditions, PV module aging, soiling and shading and offering improved energy yield relative to traditional inverter systems. In addition to higher efficiency, our system's installed cost per watt is competitive with traditional inverter systems of leading manufacturers and generally lower than comparable microinverter systems of leading manufacturers. Furthermore, our architecture allows for complex rooftop system designs and enhanced safety and reliability. Our technology and system architecture are protected by 39 awarded patents and 136 patent applications filed worldwide.

We primarily sell our products directly to large solar installers and engineering, procurement and construction firms ("EPCs") and indirectly to thousands of smaller solar installers through large distributors and electrical equipment wholesalers. Our customers include leading providers of solar PV systems to residential and commercial end users such as SolarCity, SunRun Inc. and Vivint Solar, Inc. We sell to key solar distributors and electrical equipment wholesalers such as AliusEnergy BV, Krannich, Segen Ltd. and Soligent Distribution, LLC. We also sell our power optimizers to several PV module manufacturers that offer PV modules with our power optimizer physically embedded into their modules.

We were founded in 2006 and began commercial shipments in 2010. As of December 31, 2014, we have shipped approximately 4.5 million power optimizers and 201,000 inverters. Approximately 95,000 installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. Our revenue grew from \$79.0 million in fiscal 2013 to \$133.2 million in fiscal 2014. Our revenue grew from \$58.1 million in the first six months of fiscal 2014 to \$140.3 million in the first six months of fiscal 2015. Our gross margin increased from 5.6% in fiscal 2013 to 16.5% in fiscal 2014, and increased from 12.1% in the first six months of fiscal 2014 to 21.3% in the first six months of fiscal 2015. However, although our net income and cash flow from operating activity were positive for the six months ended December 31, 2014, we have a history of losses and negative cash flow from operating activity, including an accumulated deficit of \$135.2 million as of December 31, 2014 and incurred net losses of \$28.2 million in fiscal 2013 and \$21.4 million in fiscal 2014. Net income for the first six months of

fiscal 2015 was \$5.9 million, compared with a net loss of \$13.1 million in the first six months of fiscal 2014.

Market Opportunity

As discussed in "Industry Overview", favorable market conditions are expected to drive annual installed capacity of the global solar market to grow from 34.6 GW in 2013 to 59.6 GW in 2017, representing a CAGR of 14.6%. Growth in PV inverter installations in key residential markets like the U.S. and China is expected to remain strong with expected CAGRs of 19.0% and 11.3%, respectively, during the same period, according to IHS. According to IHS, the global inverter market accounted for approximately \$6.9 billion in revenues in 2013 and is expected to grow at a CAGR of 3.1% to reach approximately \$7.8 billion in revenues in 2017.

Within the global solar market, shipments of MLPE, such as our power optimizers, are expected to double from 2012 through 2014. In 2013, these technologies were used in 59% of the residential installations in the U.S., one of our largest markets. Although the solar industry has historically been cyclical and has experienced periodic downturns, including downward pricing pressure for PV modules, mainly as a result of overproduction, ongoing growth in the solar industry, combined with this accelerating transition within the industry to MLPE, is driving significant growth in the MLPE market that is significantly outpacing the overall industry growth. According to GTM Research, annual global shipments of MLPE are expected to grow from approximately 1 GW of annual installed capacity globally in 2013 to approximately 5 GW in 2017, representing a CAGR of 46.0%, and translating to approximately \$1 billion in industry revenue in 2017. DC optimizers are expected to account for 57% of the cumulative MLPE market (as measured by MW capacity shipped) between 2013 and 2017, with market share expected to grow at a 47.6% CAGR over the same time period.

Limitations of Existing Technologies

A solar PV system consists of PV modules, which produce direct current ("DC") power when exposed to sunlight; an inverter, which transforms the DC power into alternating current ("AC") power that is required by the electricity grid; and associated cabling, fuse boxes and mounting hardware. Traditionally, solar PV systems connected strings of solar PV modules to one or more inverters for this energy conversion.

Traditional inverter architecture still constitutes the vast majority of the market, especially for larger commercial and utility installations. However, traditional inverter architecture suffers from significant inefficiencies leading to suboptimal power generation. These challenges include:

- **Module mismatch.** Traditional inverter systems are unable to consistently produce maximum energy from PV modules. Each PV module in a system has a unique power production profile driven by differences in manufacturing and installation parameters. The architecture of traditional inverter systems does not allow each PV module to operate at its unique MPP. When PV modules are wired in series in a traditional inverter architecture, the entire string's output is reduced, sometimes correlated directly to the output of the lowest-performing PV module on the string. Output reduction can result from subtle variations in PV module composition, atmospheric conditions, soiling, individual PV module locations and orientations, or varying levels of PV module degradation over time. These module mismatch issues typically reduce the potential power output of a traditional solar PV system by 3-5%.
- **Partial shading.** Many real-world factors can cause a subset of the PV modules in a system to be partially shaded, which can significantly affect the power output of the entire string. For instance, electric wires, a chimney or even adjacent solar panels may cast a shadow during particular hours of the day, or debris may accumulate. This partial shading reduces the yield of a traditional solar PV system by decreasing, or in extreme cases eliminating,

power output from the shaded modules. Overall losses to system production can range from small to substantial.

- **Dynamic maximum power point tracking loss.** The MPP of a PV module shifts constantly throughout the day as a result of atmospheric conditions. A traditional inverter system's inability to coordinate output on a module-by-module basis makes it difficult for the system to respond dynamically to the shifting MPP. This inability to respond to the shifting MPP can reduce the potential power output of a traditional solar PV system by 3-10%.

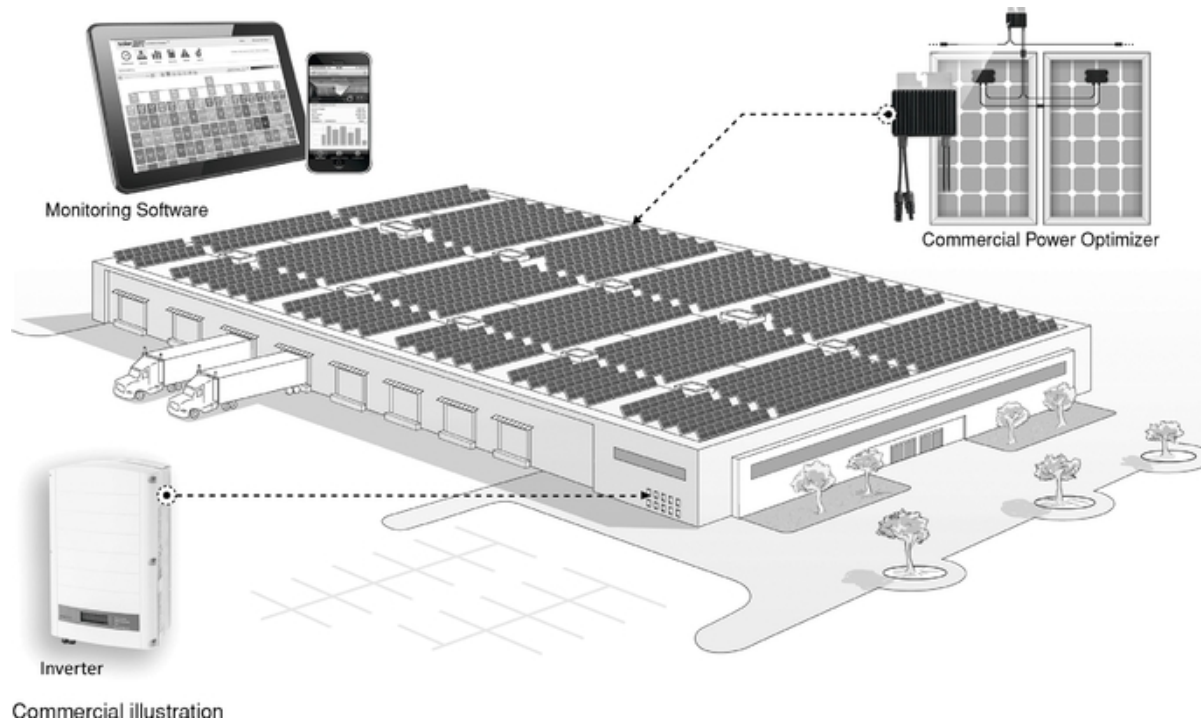
In addition to power losses, the traditional inverter architecture also has system design, installation and operational challenges, including:

- **Rooftop system design complexities.** A traditional inverter system requires each string to be of the same length, use the same type of PV modules and be positioned at the same angle toward the sun. Consequently, rooftop asymmetries and obstructions result in either wasted roof space or inefficient duplication of system components.
- **Safety hazards.** Traditional inverter systems cannot shut down the DC output voltage at the PV module level. The DC cables from these modules carry high voltages as long as the sun is shining, even when the traditional inverter or the grid connection has been shut down. This poses serious risks to installers, fire fighters and anyone else who performs work on or around the installation. Such safety hazards have recently prompted heightened safety installation and operation procedures and regulations in a growing number of geographies, compliance with which increases the cost of traditional PV systems.
- **No module level monitoring.** A traditional inverter system cannot track power output, temperature or any other attribute of a single PV module. Consequently, a system operator cannot perform remote diagnostics, track performance of PV system components or receive alerts about individual PV module status, and may be unaware of specific module-level problems or breakdowns.

The first generation of MLPE was the microinverter. This technology scaled down the traditional inverter to a size and power appropriate to a single PV module. By creating control and monitoring at the module level, microinverters solved certain challenges of the traditional inverter system architecture. However, microinverter architecture has its own limitations, such as:

- **Higher initial cost per watt and limited economies of scale.** Microinverters perform all the functionality of the traditional inverter, but at each PV module, and consequently a microinverter system has a significantly higher initial upfront cost of components relative to traditional inverter architecture. In addition, as every PV module must have its own microinverter, the cost per watt of a microinverter system does not decrease with scale. As such, microinverters are generally more expensive than traditional inverter systems on a cost per watt basis for residential installations and not economically viable for large commercial and utility installations.
- **Grid Code Compliance.** With the growing penetration of solar energy, many utilities in individual U.S. states and Europe have adopted new sets of grid codes to preserve the stability of the electric grid. These grid codes require solar PV inverters to respond dynamically to variances in grid-wide voltage, which typically requires inverter hardware and software to be reengineered. The microinverter faces significant implementation challenges in complying with many of these new grid codes primarily due to its small size. In most cases, adaptation to these new grid codes would require added costs and complexities, limiting the ability of microinverters to address some markets.

The SolarEdge Solution



Our DC optimized inverter system maximizes power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. Our solution consists of our power optimizers, inverters and cloud-based monitoring platform. Our solution addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations.

The key benefits of our solution include:

- **Maximized PV module power output.** Our power optimizers provide module-level MPP tracking and real-time adjustments of current and voltage to the optimal working point of each individual PV module. This enables each PV module to continuously produce its maximum power potential independent of other modules in the same string, thus minimizing module mismatch and partial shading losses. By performing these adjustments at a very high rate, our power optimizers also solve the dynamic MPP losses associated with traditional inverters. Independent testing from Photon Laboratories as well as tests performed by PV Evolution Labs according to the National Renewable Energy Laboratory shade test have confirmed that our technology provides power harvesting that is superior to traditional inverter systems.
- **Optimized architecture with economies of scale.** Our system shifts certain functions of the traditional inverter to our power optimizers while keeping the DC to AC function and grid interaction in our inverter. As a result, our inverter is smaller, more efficient, more reliable and less expensive. The cost savings that we have achieved on the inverter enable our system to be priced at a cost per watt that is comparable with traditional inverter systems of leading manufacturers. As a PV system grows in size, our inverter benefits from economies of scale, making our technology viable for large commercial and utility-scale applications.
- **Enhanced system design flexibility.** Unlike a traditional inverter system that requires each string to be the same length, use the same type of PV modules and be positioned at the

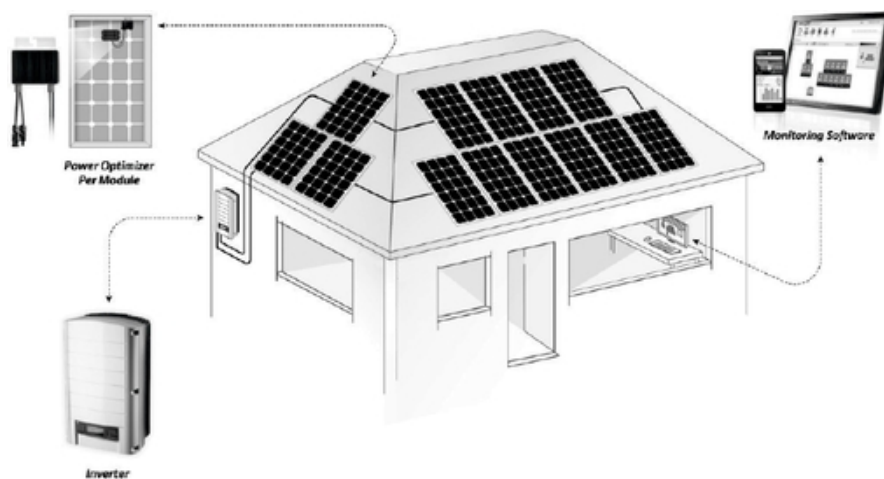
same angle toward the sun, our system allows significant design flexibility by enabling the installer to place PV modules in uneven string lengths and on multiple roof facets. This design flexibility:

- increases the amount of the available roof that can be utilized for power production. Unlike traditional inverter systems, our system does not require each string to be the same length, use the same type of PV modules or be positioned at the same angle toward the sun. As a result, our system is significantly less prone to wasted roof space resulting from rooftop asymmetries and obstructions.
- reduces the number of field change orders. For example, some installers use remote tools to estimate the size and configuration of an installation in connection with the customer acquisition process. This is especially common for high-volume residential arrays, where an exhaustive survey of rooftop obstructions would be uneconomical. In some cases, installers discover that their preliminary design, based on remote tools, cannot be implemented due to unexpected shading or other obstructions. With traditional inverter system designs, an obstructed module may require a significant system redesign and a modification of the customer contract to take into account the changed system design. Our DC optimized inverter solution enables an installer to compensate or adjust for most obstructions without materially changing the original design or requiring a modification to the customer contract.
- **Reduced balance of system costs.** Our DC optimized inverter system allows significantly longer strings to be connected to the same inverter (as compared to a traditional inverter system). This minimizes the cost of cabling, fuse boxes and other ancillary electric components. These factors together result in easier installation with shorter design times and a lower initial cost per watt, while enabling larger installations per rooftop. GTM Research estimates that the costs for electrical BoS components can be 30% to 40% lower for an MLPE system when compared with a traditional inverter system. We estimate that our DC optimized inverter system provides BoS cost reductions between \$0.02 and \$0.05 per watt in residential installations with even higher savings in commercial installations. The Solvida Energy Group, Inc. analyzed the DC and AC electrical BoS costs for a 500 kW commercial rooftop solar PV system, comparing the costs of installation and labor for traditional inverter systems and our DC optimized inverter system. The results indicated a 30% to 50% reduction in BoS cost for our DC optimized inverter system as compared to a traditional inverter system.
- **Continuous monitoring and control to reduce operation and maintenance costs.** Our cloud-based monitoring platform provides full data visibility at the module level, string level, inverter level and system level. The data can be accessed remotely by any web-enabled device, allowing comprehensive analysis, immediate fault detection and alerts. These monitoring features reduce O&M costs for the system owner by identifying and locating faults, enabling remote testing and reducing field visits.
- **Enhanced safety.** We have incorporated module-level safety mechanisms in our system to protect installers, electricians and firefighters. Each power optimizer is configured to reduce output to 1 volt unless the power optimizer receives a fail-safe signal from a functioning inverter. As a result, if the inverter is shut down (e.g., for system maintenance, due to malfunction, in the event of a fire or otherwise), the DC voltage throughout the system is reduced to a safe level. In recent years, new safety standards have been introduced in the U.S. and in Europe that require or encourage the installation of safety measures such as these. Our DC optimized inverters comply with the applicable safety requirements of the areas in which they are sold, providing incremental cost savings to installers by eliminating the need for additional hardware such as DC breakers, switches or fire-proof ducts required by traditional inverter systems. For example, the 2014 U.S. National Electric Code on Rapid

Shutdown requires a traditional inverter system to include roof DC breakers, which cost between \$350 and \$750 and can add an additional \$0.03 to \$0.10 per watt cost.

- **High reliability.** Solar PV systems are typically expected to operate for at least 25 years under harsh outdoor conditions. High reliability is critical and is facilitated by systems and components that have low heat generation, solid and stable materials, and an absence of moving parts. We have designed our system to meet these stringent requirements. Our power optimizers dissipate much less heat than microinverters because no DC-AC inversion occurs at the module level. As a result, less heat is dissipated beneath the PV module, which improves lifetime expectancy and reliability of our power optimizers. Our power optimizers' high switching frequency allows the use of ceramic capacitors with a low, fixed rate of aging and a proven life expectancy in excess of 25 years. Further, we use automotive-grade ASICs that embed many of the required electronics into the ASIC. This reduces the number of components and consequently the potential points of failure.

Our Competitive Strengths



Residential illustration

We believe the following strengths of our business distinguish us from our competitors, enhance our leadership position in MLPE and position us to capitalize on the expected continued growth in the solar PV market:

- **Innovative DC optimized inverter system enables superior results.** Our system offers significant design and operating benefits relative to traditional inverter architecture, including increased energy yield, design flexibility, enhanced safety and lower O&M costs throughout the life of the system. Our system also offers significant design and operating benefits relative to microinverter architecture, including a lower initial cost per watt, economies of scale for larger systems, broader module compatibility and higher reliability. This technological and system design superiority generates increased market opportunities across varying segments and geographies.
- **Industry leading solution in the fastest growing segment of the solar market.** We are the leader in the global MLPE market according to GTM Research, with strong brand and product recognition and a technologically superior solution. Our annual product sales have grown rapidly from approximately 8,400 inverters and 181,000 power optimizers in fiscal 2011, our first full fiscal year of commercial shipments, to annual product sales exceeding 61,000 inverters and 1.3 million power optimizers in fiscal 2014. According to GTM Research, our 2013 shipments represented a 42% market share in the MLPE market (as

measured by MW capacity shipped), and our share of the United States residential market grew from 1.7% in 2012 to 13.1% in 2013, and to 26.2% for the nine months ended September 30, 2014. As our share of the MLPE market has continued to grow, we have also benefited from the overall growth of the MLPE market, which is expected to reach \$1 billion in sales in 2017. The total inverter market, of which the MLPE market made up only 2.5% (as measured by MW capacity shipped) in 2013, is in the early stages of a larger transition to MLPE. We believe that our solution is best positioned to address this significant market opportunity.

- **Experienced technology team focused on continuous innovation.** We have successfully introduced three generations of power optimizers and two generations of inverters in less than six years, and plan to release new generations of power optimizers and inverters in the coming years. Our multidisciplinary team of engineers, with expertise across all relevant fields, including semiconductors, power electronics and software engineering, enables us to develop products rapidly, with designs optimized for efficient and automated manufacturing and superior reliability. Our research and development team is responsible for our portfolio of 39 awarded patents and 136 patent applications filed worldwide as of December 31, 2014, protecting our technology and system architecture. We believe that our combination of engineering and operational expertise will enable us to continue to increase functionality, compatibility and reliability while reducing the cost of our solution.
- **Established global sales channels anchored with top tier customers.** We sell our products directly to large installers and EPC contractors. We also reach thousands of smaller installers indirectly by selling to leading solar PV distributors and electrical equipment wholesalers to reach all segments of the residential and commercial markets. We also sell our power optimizers to several PV module manufacturers that offer PV modules with our power optimizer physically embedded into their modules. In fiscal 2014, we sold our products to approximately 200 direct customers in 38 countries and as of December 31, 2014, approximately 8,300 indirect customers had registered with us through our cloud-based monitoring platform. We support installers of our system by offering them the opportunity to integrate our monitoring and O&M capabilities with their operational and accounting functions, thereby enabling them to streamline their processes while lowering their costs through enhanced efficiencies and product integrations. We support our large distributor customers by providing lead generation assistance and direct relationships with installers which creates demand for our products from the large distributors who service these installers.
- **Strong management team.** Our founders and executive officers bring extensive multidisciplinary experience in technology and business. A significant portion of the management team's joint tenure extends well beyond the founding of SolarEdge, with our core founding group and our technology management team having worked together for more than 15 years. This introduces a level of stability that is a competitive advantage in our ability to attract a highly-talented pool of experienced engineers and seasoned industry professionals.

Our Strategy

Our mission is to become the leading provider of intelligent inverter solutions across all solar PV market segments enabling the availability of cost-effective, clean, renewable solar energy worldwide. Key elements of our strategy include:

- **Continue to innovate and advance our solutions.** We invented the DC power optimized inverter system for PV modules. We intend to continue to innovate with respect to our inverters and power optimizers to develop new and enhanced technologies and solutions that will further enhance our leadership position. Our innovation also extends to our

manufacturing processes, including the development of an automated assembly line for the manufacture of our power optimizers. We believe that our future technology will continue to significantly reduce cost and improve the intelligence and competitiveness of our offering. In addition, we believe that our investment in advanced manufacturing technologies will further improve quality and reliability while reducing cost. We plan to continue to introduce new generations of our technologies to increase the adoption of our DC optimized inverter systems worldwide.

- **Further penetrate our existing markets.** We intend to increase market share with our existing customers by offering application programming interfaces, for processes such as inventory management and billing integration, and expanding our services and training initiatives. We further intend to hire additional sales and marketing personnel focused on growing our new customer base in our existing markets. Over the last few years, we have made substantial investments in our technology to enable us to address the requirements of larger solar PV installations. We intend to continue to expand our product portfolio by developing inverters with the higher power ratings required by large commercial and utility-scale systems, reducing overall system cost and adding features to our cloud-based monitoring software.
- **Continue to grow our global presence.** To date, we have shipped approximately 1.2 GW of our DC optimized inverter systems. Our products are sold in approximately 38 countries, and are installed in solar PV systems in 73 countries. We plan to expand our global footprint and drive sales by ensuring the compatibility of our products with additional local grid codes, and further penetrating and growing our network of installers, distributors, wholesalers, EPCs and PV module manufacturers. For example, in Japan and Latin America, where we are focusing our newest expansion efforts, we have applied for certification and are in the process of developing modifications to our products to meet local grid requirements and regulations. We are implementing a detailed sales and marketing strategy and training programs to address the specific characteristics of new markets and are in the process of hiring professionals to execute these market strategies.
- **Leverage our technology to enter adjacent markets.** Our technology has other potential applications for the regulation and management of energy sources, such as energy storage. For example, our power optimizer can be used to maximize and stabilize battery storage systems, thereby improving system performance, life expectancy and safety. In addition, our cloud-based monitoring solution may in the future be used for smart grid applications, such as demand response and energy efficiency applications and home automation systems.

Our Economic Advantage

Below we have presented levelized cost of energy ("LCOE"), case studies for actual SolarEdge residential and commercial solar PV systems. The case studies present PVsyst simulated results for our solution as well as system architectures employing traditional string inverters, and microinverters. We believe the LCOE results presented are typical for the applicable system sizes and provide an accurate indication of the economic advantages of our solution.

LCOE

We determined the financial return using LCOE analyses. Both analyses incorporate savings in electricity costs offset by solar energy production, in addition to rebates and incentives. LCOE represents the ratio of the total lifetime cost of the system, which is the sum of the total upfront solar PV system cost plus the present value of the total lifetime cost of the system, to its total lifetime system energy harvest. Our system is able to provide a lower LCOE as a result of its additional energy harvest and reduced electrical BoS and O&M costs.

Residential Installation



Below is an LCOE analysis of a 4.16kW system installed in California in 2012 based on PVSyst simulations.

	SolarEdge system(1)	Microinverter(2)	Traditional inverter(3)
Upfront system costs(4)			
Modules and racking(5)	\$ 5,420	\$ 5,420	\$ 5,420
Inverter	\$ 1,456	\$ 2,579	\$ 1,165
Electrical BoS(6)	\$ 887	\$ 1,138	\$ 1,001
Design, permit and other	\$ 1,073	\$ 1,073	\$ 1,073
Profit and tax	\$ 1,767	\$ 2,042	\$ 1,732
Total	\$ 10,603	\$ 12,252	\$ 10,391
Lifetime costs (20 years)			
O&M(7)	\$ 435	\$ 512	\$ 473
Inverter replacement(8)	\$ 223	\$ —	\$ 487
Total	\$ 658	\$ 512	\$ 960
System energy harvest (1st year)(9)(10)	6,540 kWh	6,538 kWh	6,300 kWh
System energy harvest (20 years)(11)	119,089 kWh	119,052 kWh	113,466 kWh
Additional energy harvest vs. traditional inverter	5.0%	4.9%	
LCOE	9.46¢/kWh	10.72¢/kWh	10.00¢/kWh

(1) 1 × SolarEdge SE3800US inverter and 16 × SolarEdge OP250 power optimizers; total cost \$0.35 per watt.

(2) 16 × Enphase M215 microinverters; total cost \$0.62 per watt.

(3) 1 × SMA SB3000TL traditional inverter; total cost \$0.28 per watt.

(4) Upfront system cost to the system owner, calculated according to second quarter 2014 market prices based on GTM Research data.

[Table of Contents](#)

- (5) 16 × LG Electronics 260 watt modules (LG-260S1C-G2). Module and racking cost includes labor. Total cost is \$1.30 per watt.
- (6) Electrical BoS cost includes AC and DC balance of system costs.
- (7) Net present value of lifetime O&M costs calculated with a discount rate of 5%. Assumes annual O&M costs equal to 0.5% of total upfront system costs reduced by 10% in the case of SolarEdge and microinverters as a result of monitoring.
- (8) Net present value of inverter replacement cost calculated using a discount rate of 5%. Assumes traditional inverter replacement at year 11, SolarEdge inverter replacement at year 13 and, in each case, annual inverter price decrease of 3%. Does not account for power optimizer replacement cost on account of 25-year warranty. Does not account for microinverter replacement cost on account of 20-year warranty.
- (9) PVsyst simulation results for first year of energy production.
- (10) SolarEdge system actual yield during 2013 was 6,664 kWh, 1.9% above the simulated results.
- (11) Aggregate energy harvest over 20 years. Assumes 1% annual module degradation and 0.12% yield increase for MLPE compared to traditional inverter systems due to module mismatch increase due to aging.

Commercial Installation



Below is an LCOE analysis of a 90kW system installed in Ontario, Canada in 2012 based on PVsyst simulations.

	SolarEdge system(1)	Microinverter(2)	Traditional inverter(3)
Upfront system costs(4)			
Modules and racking(5)	\$ 97,436	\$ 97,436	\$ 97,436
Inverter	\$ 20,700	\$ 54,900	\$ 9,900
Electrical BoS(6)	\$ 15,003	\$ 16,503	\$ 30,006
Design, permit and other	\$ 8,766	\$ 8,766	\$ 8,766
Profit and tax	\$ 28,381	\$ 35,521	\$ 29,222
Total	\$ 170,285	\$ 213,126	\$ 175,329
Lifetime costs (20 years)			
O&M(7)	\$ 7,466	\$ 9,468	\$ 8,558
Inverter replacement(8)	\$ 4,176	\$ 0	\$ 4,140
Total	\$ 11,642	\$ 9,468	\$ 12,698
System energy harvest (1st year)(9)(10)	117,335 kWh	116,513 kWh	116,364 kWh
System energy harvest (20 years)(11)	2,136,589 kWh	2,121,621 kWh	2,095,765 kWh
Additional energy harvest vs. traditional inverter	1.9%	1.2%	
LCOE	8.51¢/kWh	10.49¢/kWh	8.97¢/kWh

- (1) 390 × OP250 SolarEdge power optimizers and 14 × SE6000 SolarEdge inverters; total cost \$0.23 per watt.
- (2) 390 × Enphase M215 microinverters; total cost \$0.62 per watt.
- (3) 6 × SMA TriPower 15000TL traditional inverters; total cost \$0.11 per watt.
- (4) Upfront system cost to the system owner, calculated according to second quarter 2014 market prices based on GTM Research data.
- (5) 390 × Eclipsall 245 watt modules (NRG60-245SE). Module and racking cost includes labor. Total cost is \$1.10 per watt.
- (6) Electrical BoS cost includes AC and DC balance of system costs.
- (7) Net present value of lifetime O&M costs calculated using a discount rate of 5%. Assumes annual O&M costs equal to 0.5% of total upfront system costs reduced by 10% in the case of SolarEdge as a result of monitoring.
- (8) Net present value of inverter replacement cost calculated using a discount rate of 5%. Assumes traditional inverter replacement at year 11, SolarEdge inverter replacement at year 13 and annual, in each case, inverter price decrease of 3%. Does not account for power optimizer replacement cost on account of 25-year warranty. Does not account for microinverter replacement cost on account of 20-year warranty.
- (9) PVsyst simulation results for first year of energy production.
- (10) The SolarEdge system's actual yield during 2013 was 122,014 kWh, 4% above the simulated results.
- (11) Aggregate energy harvest over 20 years. Assumes 1% annual module degradation and 0.12% yield increase for MLPE compared to traditional inverter systems due to module mismatch increase due to aging.

Our Products

Our solution consists of a DC power optimizer, an inverter and monitoring platform that operate as a single integrated system:

SolarEdge Power Optimizer. Our DC power optimizer is a highly reliable and efficient DC-to-DC converter which is connected by installers to each PV module or embedded by PV module manufacturers into their modules as part of the manufacturing process. Our power optimizer increases energy output from the PV module to which it is connected by continuously tracking the MPP of each module and controlling its working point. The power optimizer's ability to track the MPP of each PV module and its ability to increase or decrease its output voltage, enables the inverter's input voltage to remain fixed under a large variety of string configurations. This feature

enhances flexibility in PV system designs, enabling use of different string lengths in a single PV system connected to the same inverter, use of PV panels situated on multiple orientations connected to the same inverter and using varied PV module types in the same string. In addition, our power optimizers monitor the performance of each PV module and communicates this data to our inverter using our proprietary power line communication. In turn, the inverter transmits this information to our monitoring server. Each power optimizer is equipped with our proprietary safety mechanism which automatically reduces the output voltage of each power optimizer to 1V unless the power optimizer receives a fail-safe signal from a functioning inverter. As a result, if the inverter is shut down (e.g., for system maintenance, due to malfunction, in the event of a fire or otherwise), the DC voltage throughout the system is reduced to a safe level.

Our power optimizers are designed to withstand high temperatures and harsh environmental conditions, and contain multiple bypass features that localize failures and enable continued system operation in the vast majority of cases of power optimizer failure. Our power optimizers are compatible with the vast majority of modules on the market today and carry a 25-year product warranty. Our power optimizers are designed to be used with our inverters as well as third party inverters to provide power optimization. Monitoring and safety features can also be achieved with third party inverters by adding supplemental communications hardware. During fiscal year 2012, 2013 and 2014, revenues derived from the sale of power optimizers represented 50.2%, 48.5% and 48.8% of total revenues, respectively.

SolarEdge Inverter. Our DC-to-AC inverters contain sophisticated digital control technology with efficient power conversion architecture resulting in superior solar power harvesting and high reliability and are designed to work exclusively with our DC power optimizers. A proprietary power line communication receiver is integrated into each inverter, receiving data from our power optimizers, storing this data and transmitting it to our monitoring server when an internet connection exists. Since each string which is equipped with our power optimizers provides fixed input voltage to our inverter, the inverter is able to operate at its highest efficiency at all times and therefore is more cost-efficient, energy efficient and reliable. Like our power optimizers, our inverters are designed to withstand harsh environmental conditions. Since the power rating of an inverter determines how many PV modules it can serve, larger installations require inverters with higher power ratings. We currently offer our second generation of inverters which come in two models: a one-phase inverter designed to address the residential market (2.2 kW to 11.4 kW) and a three-phase inverter designed to address the residential market in certain European countries and the commercial market (5 kW to 20 kW). We are also in the initial development stages of higher power inverters to further improve our value proposition for utility-scale systems. Each of our inverters are sold with a 12-year warranty that is extendable to 20 or 25 years for an additional cost.

During fiscal year 2012, 2013 and 2014, revenues derived from the sale of inverters represented 45.6%, 44.8% and 46.6% of total revenues, respectively.

SolarEdge Monitoring Software. Our cloud-based monitoring software collects power, voltage, current and system data sent from our inverters and power optimizers and allows users to view the data at the module level, string level, inverter level and system level from any browser or from most smart phones and tablets. The monitoring software continuously analyzes data and flags potential problems. The monitoring software includes features which are used on a routine basis by integrators, installers, maintenance staff, and system owners to improve a solar PV system's performance by maximizing solar power harvesting and reducing O&M costs by increasing system up-time and detecting PV module performance issues more effectively.

Connection to the monitoring server is completed during installation by the installer. The installer then receives full access to system data through the monitoring software and can select the amount of data to be shared with the system owner.

Product Roadmap

Our products reflect the innovation focus and capabilities of our technology departments. Our product roadmap is divided into four categories: power optimizers, inverters, storage and monitoring services.

Power optimizers. We currently sell our third generation power optimizer which was designed for fully automated assembly and which is based on our third generation ASIC. A key element of our reliability strategy, and a significant differentiator relative to our competitors, is our use of proprietary ASICs to control, among other things, our power optimizer's power conversion, safety features, and PV module monitoring. Instead of using large numbers of discrete components, our power optimizer uses a single proprietary ASIC, thus reducing the total number of components in an electrical circuit and thereby improving reliability. We are in the final stages of testing our fourth generation ASIC and we expect to begin commercial shipments of our fourth generation power optimizers in 2015. In addition, we are also in the final stage of developing all the necessary subsystems for the fifth generation ASIC which will be used in our fifth generation power optimizer. Each new ASIC generation has reduced the number of components required and meaningfully improved the efficiency of the power optimizer. The efficiency improvement reduces the energy losses which in turn reduces the amount of heat dissipation. This enables design of a more cost effective and usually smaller enclosure and also keeps the electronics cooler, thereby improving the power optimizer's reliability.

Inverters. Our inverter roadmap is intended to serve three purposes: (i) expand addressable market by developing new and larger inverters designed specifically for larger commercial installations and utility-scale projects; (ii) improve the electronics to increase the total power throughput without changing the existing enclosure, thereby reducing the actual cost per watt and increasing economies of scale and (iii) improve ease of installation by integrating additional functionality required in certain installations in order to reduce costs of additional hardware and labor costs. For example, we recently integrated a revenue grade meter into our inverter. In addition, we are developing an ultra-high frequency inverter that is intended to bring significant efficiency improvements and thereby to reduce heat dissipation, enclosure size and cost as well as size and cost of passive components such as the main inductor and capacitors.

Monitoring. Our cloud-based monitoring server is continuously growing by the amount of data aggregated. We are continuously developing tools to accommodate our growth and further enhance our service offering. Specifically, we plan to increase data compression in order to enable support for a rapidly increasing number of field systems while using low-cost equipment. In addition, we plan to improve our reporting systems and enable users to obtain self-generated customized reports. We also expect to expand algorithms that detect and pinpoint problems that can affect power production in field systems. We further plan to add more capabilities through our public application program interface to allow users to build and integrate our system into their own systems and to allow users to build and share useful applications based on monitoring data gathered by our software.

Storage. The ability to efficiently store and manage electric energy is expected to further accelerate the growth of the global solar market. We believe that by optimizing each battery, we can improve the depth of charge and discharge as well as flexibility and longevity of battery bank life. We are in the initial development stages of technology based on our current system architecture and patents that includes a DC-based solution for optimizing battery storage systems. We believe that this solution, combined with energy efficiency functionality, will present a significant growth opportunity.

Sales and Marketing Strategy

Since commencing sales activities in early 2010, our strategy has been to focus on markets where electricity prices, irradiance and government policies make solar PV installations economically viable. Today, our products have been installed in 73 countries, including the U.S., Australia, Belgium, Canada, China, France, Germany, Israel, Italy, Japan, the Netherlands, Singapore and the United Kingdom.

We target our sales and marketing efforts to the largest distributors, electrical equipment wholesalers, EPC contractors and installers in each of the countries where we operate. In the U.S., Germany, Italy, the United Kingdom and Australia, our products are carried and actively sold by most of the top solar PV distributors as well as the largest electrical distribution companies that are active in solar PV. We anticipate that an increasing percentage of solar PV equipment sales will also occur through electrical equipment wholesalers who sell to a broad range of electrical contractors, and we are focused on cultivating these global relationships. As of December 31, 2014, approximately 8,300 installers around the world have installed SolarEdge solar PV systems, including an average of 270 new installers per month since the beginning of 2014. We also sell our power optimizers to several PV module manufacturers that offer PV modules with our power optimizer physically embedded into their modules.

Additionally, we have a number of programs focused on educating installers and other industry professionals about our technology, and we use a combination of road shows, webinars and partner trainings to show them how best to design, sell and implement our technology in their projects.

Our sales strategy and the entrepreneurial culture of our Company have allowed us to react quickly to trends in the countries in which we sell our products. For example, in response to the abrupt cut in feed-in tariffs in Europe in 2012, we shifted our focus to the U.S. and ended fiscal 2014 with 48.5% of our revenues from the U.S., as compared to 7.6% in fiscal 2012.

Our Customers

Our largest customer in fiscal 2014 was SolarCity, the largest independent solar power provider in the U.S. SolarCity accounted for 5.2% of our revenues in fiscal 2013 and 19.1% of our revenues in fiscal 2014. Krannich, headquartered in Germany, is the largest distributor of PV modules in the world and accounted for 7.8% of our revenues in fiscal 2013 and 2014. Other large customers include key solar distributors and electrical equipment wholesalers such as AliusEnergy BV, Segen Ltd., Soligent Distribution, LLC, affiliates of SunRun Inc. and Vivint Solar, Inc.

Training and Customer Support

We offer our installer base a comprehensive package of customer support and training services which include pre-sales support, ongoing trainings, and technical support before, during, and after installation. We also provide customized support programs to PV module manufacturers, large installers and distributors to help prioritize and track support issues, thereby enabling short cycle times for issue resolution. In 2014, we conducted approximately 120 training events in 15 countries, with an aggregate of approximately 3,500 attendees.

We offer a wide variety of training, including hands-on and on-demand video sessions and online product and training materials. We support our commercial system customers with design consulting throughout their sales process and installation. Our technical support organization includes local expert teams, call centers in California, Germany and Israel, and an online service portal. Our toll-free call centers are open Monday through Friday from 9:00 a.m. to 8:00 p.m. in every region in which we sell our products. In addition, customers can open and track support

cases 24/7 utilizing our online portal. All support cases are monitored via a customer relationship management system in order to ensure service, track closure of all customer issues and further improve our customer service. Our call centers have access to our cloud-based monitoring platform database, which enables real-time remote diagnostics.

Customer service and satisfaction has been a key component of our business and we expect it to continue to be integral to our success in the future. We maintain high levels of customer engagement through our call centers in California, Germany and Israel. In addition to our call centers, we have field service engineers located in the geographies where we are active, and support our customers with commissioning of large projects, introduction of new technologies and features and on-the-job training of new installers. Our customer support and training organization consists of 42 employees worldwide.

Our Technology

We have drawn on our expertise in the fields of power electronics, magnetic design, mechanical and heat dissipation capabilities, control loops and algorithms and power line communications to design and develop what we believe to be the most advanced solutions for harvesting power from solar PV systems. Our advanced technologies are explained in more detail below.

Power optimizers

Our power optimizers are DC/DC step up/step down (buck-boost) converters designed and developed to operate in harsh outdoor environments at very high conversion efficiency. Our power optimizers include proprietary power electronics customized to efficiently convert power from the PV module to the inverter. The conversion topology and components are all designed for the power optimizer specifications and verified for consistent performance and reliability in numerous lab tests and simulations. We also design and utilize custom magnetic cores and windings to maximize the density of the power optimizer while maintaining optimal thermal performance.

A key factor in the performance of our power optimizer is determined by the digital control algorithms and closed-loop mechanism. The power optimizer's control is built into our advanced ASIC which is responsible for all critical digital control functions of the power optimizer, including detailed power analysis, digital control of the power conversion subsystem and powerline communications and networking. Since each power optimizer handles the power and voltage of a single module, we are able to reach a high degree of semiconductor integration by leveraging low cost silicon in standard semiconductor packages. As a result, much of the functionality of our power optimizer can be integrated into a standard complementary metal-oxide semiconductor ASIC instead of discrete electrical components, resulting in lower costs and higher reliability.

The ASIC performs the critical power analysis and power conversion control functions of the power optimizer. The power analysis function processes the status and working parameters at the power optimizer's input and output and, together with advanced digital control and state machine logic, controls the power conversion function. In addition, our digital control system uses an innovative predictive control technology that allows the solar PV installation to anticipate and adapt to changing operating conditions and protect against system anomalies.

Each power optimizer in the array is connected to the inverter by a powerline communications networking link. Our powerline communications link uses a proprietary networking technology that we developed utilizing the existing DC wiring between the power optimizers and the inverter to transmit and receive data between these devices.

Inverters

Our inverter is designed for single-stage DC/AC conversion. The control loop maintains a fixed DC voltage level at its input thereby allowing for longer, uneven and multi-faceted strings while also enabling custom, cost efficient and reliable inverter design and component selection. All of the power components, as well as the main magnetic components for our inverters, can then be optimized for DC/AC inversion at high efficiency.

The digital control algorithms of our inverters are implemented using programmable digital signal processors which allow for flexibility and adaptation of control loops for various grids and for the requirements and standards of various grid operators across geographies. We have already implemented the control mechanisms necessary to support advanced grid codes and standards that are required to support high penetration of solar energy into the grid.

Manufacturing

We have designed our manufacturing processes to generate market-leading quality while keeping costs low. The strategy is threefold: outsource, automate and localize. We have entered outsourcing contracts with two of the world's leading global electronics manufacturing service providers, Jabil Circuit, Inc. and Flextronics Industrial Ltd. By using these contract manufacturers rather than building our own manufacturing infrastructure, we are able to access advanced manufacturing equipment, processes, skills and capacity on a "capital light" budget. Our contract manufacturers are responsible for funding the capital expenses incurred in connection with the manufacture of our products, except with regard to end of line testing equipment (which resulted in expenses of \$0.4 million and \$1.0 million for fiscal 2013 and 2014, respectively). We expect to continue this funding arrangement in the future, with respect to any expansions to such existing lines. Further, contracting with global providers such as Jabil and Flextronics gives us added flexibility to manufacture certain products in China, closer to target markets in Asia and the North American west coast and other products in Hungary, closer to target markets in Europe and the North American east coast, potentially increasing responsiveness to customers while reducing costs and delivery times.

Our first proprietary automated assembly line is scheduled to be in use at the Hungary Flextronics manufacturing plant by the middle of 2015. We expect the automated assembly line to enable us to scale production of our power optimizers, decrease labor costs, and improve quality levels. Once production is operating at full capacity, we expect the automated assembly line to be capable of producing approximately 1.8 million power optimizers per year. This automated assembly line can also be replicated and deployed to additional production facilities. We have designed and are responsible for funding all of the capital expenses associated with this automated assembly line. We expect to invest in additional automated assembly lines in the future, and we will own and be responsible for funding all of the capital expenses incurred in conjunction with such automated assembly lines. The current and expected capital expenses associated with these automated assembly lines are not significant and will be funded out of our cash flows.

Reliability and Quality Control

Our power optimizers are either connected to each PV module by installers, or embedded in each PV module by PV module manufacturers. Our power optimizers are designed to be as reliable as the PV module itself and capable of withstanding the same operating and environmental conditions.

Our reliability methodology includes a multi-level plan with design analysis by in-house and external experts, sub-system testing of critical components by Accelerated Life Testing, and integrative testing of design prototypes by Highly Accelerated Life Testing and large sample groups.

As part of our reliability efforts, we subject components to industry standard conditions and tests including in accelerated life chambers that simulate burn-in, thermal cycling, damp-heat and other stresses. We also test complete products in stress tests and in the field. Our rigorous testing processes have helped us to develop highly reliable products.

In order to verify the quality of each of our products when it leaves the manufacturing plant, each component, sub-assembly, and final product are tested multiple times during production. These tests include Automatic Optical Inspection, In-Circuit Testing, Board- and Component-Level Functional Testing, Safety Testing and Integrative Stress Testing. We employ a serial number-driven manufacturing process auditing and traceability system that allows us to control production line activities, verify correct manufacturing processes and to achieve item-specific traceability.

As a part of our quality and reliability approach, failed products from the field are returned and subjected to root cause analysis, the results of which are used to improve our product and manufacturing processes and further reduce our field failure rate.

Certifications

Our products and systems comply with the applicable regulatory requirements of the jurisdictions in which they are sold as well as all other major markets around the world, collectively covering approximately 80% of the global solar PV market as measured by MW capacity shipped. These include safety regulations, electromagnetic compatibility standards and grid compliance.

Research and Development

We devote substantial resources to research and development with the objective of developing new products and systems, adding new features to existing products and systems and reducing unit costs of our products. Our development strategy is to identify features, products and systems for both software and hardware that reduce the cost and improve the effectiveness of our solutions for our customers. We measure the effectiveness of our research and development by metrics including product unit cost, efficiency, reliability, power output and ease of use.

We have a strong research and development team with wide-ranging experience in power electronics, semiconductors, power line communications and networking, and software engineering. In addition, many members of our team have expertise in solar technologies. As of December 31, 2014, our research and development organization had a headcount of 173 people. Our research and development expense, net totaled \$13.8 million, \$15.8 million and \$18.3 million for fiscal 2012, 2013 and 2014, respectively.

Intellectual Property

The success of our business depends, in part, on our ability to maintain and protect our proprietary technologies, information, processes and know-how. We rely primarily on patent, trademark, copyright and trade secrets laws in the U.S. and similar laws in other countries, confidentiality agreements and procedures and other contractual arrangements to protect our technology. As of December 31, 2014, we had 30 issued U.S. patents, 9 issued non-U.S. patents, 70 patent applications pending for examination in the U.S. and 86 patent applications pending for examination in other countries, all of which are related to U.S. applications. A majority of our patents relate to DC power optimization and DC to AC conversion for alternative energy power systems, power system monitoring, control and management systems. Our issued patents are scheduled to expire between 2027 and 2032. We continually assess opportunities to seek patent protection for those aspects of our technology, designs and methodologies and processes that we believe provide significant competitive advantages.

We rely on trade secret protection and confidentiality agreements to safeguard our interests with respect to proprietary know-how that is not patentable and processes for which patents are difficult to enforce. We believe that many elements of our manufacturing processes involve proprietary know-how, technology or data that are not covered by patents or patent applications, including technical processes, test equipment designs, algorithms and procedures.

All of our research and development personnel have entered into confidentiality and proprietary information agreements with us. These agreements address intellectual property protection issues and require our employees to assign to us all of the inventions, designs and technologies they develop during the course of employment with us.

We also require our customers and business partners to enter into confidentiality agreements before we disclose any sensitive aspects of our technology or business plans.

On January 9, 2015, a patent infringement lawsuit was filed by Beacon Power, LLC ("Beacon") against the Company and a third party in the United States District Court for the Western District of Texas, San Antonio Division which alleges infringement by the Company of two U.S. patents. The Company has filed a defense and counterclaim, and intends to vigorously defend the litigation. For additional details on this lawsuit, see "Legal Proceedings."

Competition

The markets for our products are competitive, and we compete with manufacturers of traditional inverters and manufacturers of other MLPE, including microinverters and power optimizers. The principal areas in which we compete with other companies include:

- product performance and features;
- total cost of ownership (usually measured by LCOE);
- PV module compatibility and interoperability;
- reliability and duration of product warranty;
- customer service and support;
- breadth of product line;
- local sales and distribution capabilities;
- compliance with applicable certifications and grid codes;
- size and financial stability of operations; and
- size of installed base.

Our DC optimized inverter system competes principally with products from traditional inverter manufacturers, such as SMA Solar Technology AG, ABB Ltd. and KACO new energy GmbH. In the North American residential market we compete with traditional inverter manufacturers as well as microinverter manufacturers such as Enphase Energy, Inc. SMA Solar Technology AG and ABB Ltd. have recently introduced microinverter products. In addition, several new entrants to the MLPE market, including low-cost Asian manufacturers, have recently announced plans to ship or have already shipped products. We believe that our DC optimized inverter system offers significant technology and cost advantages that reflect a competitive differentiation over traditional inverter systems and microinverter technologies.

Government Incentives

Federal, state, local and foreign government bodies provide incentives to owners, end users, distributors and manufacturers of solar PV systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation and exclusion of solar PV systems from property tax assessments. The market for on-grid applications, where solar power is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, often depends in large part on the availability and size of these government subsidies and economic incentives, which vary by geographic market and from time to time. The following is a summary of the major current government subsidies and economic incentives in the key jurisdictions where our customers operate.

United States

The U.S. federal government provides an uncapped investment tax credit that allows a taxpayer to claim a credit of 30% of qualified expenditures for a residential or commercial solar PV system placed in service on or before December 31, 2016. This credit is scheduled to reduce to 10% effective January 1, 2017. The federal government also permits accelerated depreciation for eligible solar PV systems. In addition, approximately half of the U.S. states offer an additional personal and/or corporate investment or production tax credit for solar. Further, more than half of the U.S. states, and many local jurisdictions, have established property tax incentives for renewable energy systems.

Most U.S. states have instituted a "net metering" regulatory policy, which allows a solar PV system owner to connect an on-site solar PV system to the utility grid and offset purchases of electricity from the utility with energy generated by the solar PV system and exported to the grid. Many states also have adopted procurement requirements for renewable energy production, including renewable portfolio standards that require utilities to procure a percentage of electricity delivered from renewable energy sources, such as solar PV systems. To prove compliance with such mandates, utilities typically must surrender renewable energy certificates ("RECs"). Solar PV system owners often are able to sell RECs to utilities directly or in REC markets.

Many utilities and state governments offer a rebate or other cash incentive for the installation and operation of a solar PV system. These include "up-front" rebates that provide cash payments based on the cost, size or expected production of a solar PV system as well as performance-based incentives that provide cash payments based on the energy generated over a period.

Europe

Historically, European solar power incentives were robust. Recently, however, several European governments have scaled back their solar power incentives under austerity measures adopted in response to the Eurozone economic crisis. In particular, subsidies have been reduced or eliminated in countries including Germany and Italy. In June 2012, the German government passed an amendment to its renewable energy law (EEG) 2012, which reduced the available PV feed-in tariff rate, revised the volume-based digression schedule, limited the amount of electricity that PV generators can export to the grid and added a 52 gigawatt capacity limit, after which subsidies under the EEG will cease altogether. In September 2012, Germany further reduced feed-in tariffs for roof-based systems while reducing or eliminating feed-in tariffs for ground-based systems. In July 2013, the Italian government discontinued feed-in tariff payments for new solar PV projects. In some of European countries, solar power incentives have been challenged as unconstitutional or unlawful.

Other European countries have continued to offer significant solar energy incentives. The Netherlands has instituted new incentives in recent years, including tax deductions, grants toward

equipment purchases and a feed-in tariff. However, the feed-in tariff is generally not available for residential installations, and the aggregate incentive funds are limited. France instituted an incentive system in March 2011, providing feed-in tariffs and a bidding process for system operators to sell electricity from new solar projects to the state-owned electricity company. However, the feed-in tariff was subsequently reduced.

Japan

Japan offered a residential solar subsidy program from 1994 through 2006 and 2009 through March 2014, followed by a robust renewable energy program adopted in July 2012 in the wake of the Fukushima nuclear disaster and growing anti-nuclear public sentiment. This program requires utilities to pay significant feed-in tariffs to clean energy providers. However, solar feed-in tariffs under this program were reduced from 42 Yen/kWh to 37.8 Yen/kWh in April 2013, and further reduced to 32 Yen/kWh in April 2014.

Employees

As of December 31, 2014, we had 352 full-time employees. Of these full-time employees, 173 were engaged in research and development, 92 in sales and marketing, 65 in operations and support and 22 in general and administrative capacities. Of our employees, 242 were based in Israel, 54 were based in the U.S., 31 were based in China, 19 were based in Germany and an additional six were based in other countries in Europe.

None of our employees are represented by a labor union. We have not experienced any employment-related work stoppages, and we consider relations with our employees to be good.

Facilities

Our corporate headquarters are located in Hod Hasharon, Israel, in an office consisting of approximately 37,512 square feet of office, testing and product design space. The lease for these facilities terminated on December 31, 2014, and we have obtained a two-month extension. We expect to move into newly-leased facilities in Herzilya, Israel in March 2015. The new facilities will consist of approximately 56,000 square feet of office, testing and product design space.

In addition to our corporate headquarters, we lease approximately 27,000 square feet of general office space in Fremont, California, under a lease that will expire on March 31, 2020. We also lease sales and support office space in the U.S., Australia, China, Germany and the Netherlands.

We outsource all manufacturing to manufacturing partners, and currently do not own or lease any manufacturing facilities.

We believe that our existing properties are in good condition and are sufficient and suitable for the conduct of our business for the foreseeable future. To the extent our needs change as our business grows, we expect that additional space and facilities will be available.

Legal Proceedings

From time to time, we may be involved in litigation relating to claims arising out of our operations. Other than as set forth below, we were not involved in any pending legal proceedings as of the filing date of this prospectus.

On January 9, 2015, a patent infringement lawsuit was filed by Beacon against the Company and a third party in the United States District Court for the Western District of Texas, San Antonio Division which alleges infringement by the Company of two U.S. patents. In the complaint, Beacon seeks an injunction, treble damages, and attorneys' fees. The amount of the claim is unspecified. We have filed a defense and counterclaim, and intend to vigorously defend the litigation.

MANAGEMENT**Our Executive Officers and Board of Directors**

The following table sets forth certain information concerning the individuals who will serve as our executive officers and directors upon the consummation of this offering.

Name	Age	Position(s) Held
Guy Sella	50	Chief Executive Officer and Chairman of the Board
Ronen Faier	43	Chief Financial Officer
Rachel Prishkolnik	46	Vice President, General Counsel & Corporate Secretary
Zvi Lando	50	Vice President, Global Sales
Lior Handelsman	40	Vice President, Marketing and Product Strategy
Yoav Galin	41	Vice President, Research & Development
Ilan Yoscovich	42	Chief Technology Officer
Udy Gal-On	46	Vice President, Operations
Alon Shapira	44	Vice President, Quality and Reliability
Meir Adest	39	Vice President, Core Technologies
Dan Avida*	51	Director*
Yoni Cheifetz*	54	Director*
Avery More*	58	Director*
Tal Payne**	40	Director Nominee**
		Director Nominee**
		Director Nominee**

* Our board of directors has determined that this director is independent under the standards of the NASDAQ Global Market.

** We expect our board of directors to determine that this director is independent under the standards of the NASDAQ Global Market.

Guy Sella Mr. Guy Sella is a co-founder of SolarEdge and has served as Chairman of the board of directors and Chief Executive Officer since 2006. Prior to founding SolarEdge, Mr. Sella was a partner at Star Ventures, a leading venture capital firm, where he led investments in several startups, including AeroScout, Inc. (acquired by Stanley Black & Decker, Inc.) and Vidyo, Inc. Previously, Mr. Sella acted as the director of technology for the Israeli National Security Council and as the secretary for the National Committee for Cyber Protection. Mr. Sella also served as the head of the Electronics Research Department ("ERD"), one of Israel's national labs, which is tasked with developing innovative and complex systems. Mr. Sella holds a B.S. in Engineering from the Technion, Israel's Institute of Technology in Haifa. Mr. Sella brings to our board of directors demonstrated senior leadership skills, expertise from years of experience in electronics industries, and historical knowledge of our Company from the time of its founding.

Ronen Faier joined SolarEdge in 2011 as our Chief Financial Officer. Prior to joining SolarEdge, Mr. Faier served from 2008 to 2010 as the chief financial officer of modu Ltd, a privately owned Israeli company, which entered into voluntary liquidation proceedings in Israel in December 2010. Between 2004 and 2007, Mr. Faier held several senior finance positions, including chief financial officer at msystems prior to its acquisition by SanDisk Corporation in 2006. Previously, Mr. Faier served as corporate controller of VocalTec Communications Ltd. Mr. Faier holds a CPA (Israel) license, an MBA (with Honors) from Tel Aviv University and a B.A. in Accounting and Economics from the Hebrew University in Jerusalem.

Rachel Prishkolnik joined SolarEdge in 2010 as our Vice President, General Counsel and Corporate Secretary. Prior to joining SolarEdge, Mrs. Prishkolnik served as the vice president,

general counsel & corporate secretary of Gilat Satellite Networks Ltd. At Gilat she held various positions beginning as legal counsel in 2001 and becoming corporate secretary in 2004 and vice president, general counsel in 2007. Prior to Gilat, she worked at the law firm of Jeffer, Mangels, Butler & Marmaro LLP in Los Angeles. Before that, Mrs. Prishkolnik worked at Kleinhendler & Halevy (currently Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co.) in Tel Aviv. Mrs. Prishkolnik holds an LLB law degree from the Faculty of Law at the Tel Aviv University and a B.A. from Wesleyan University in Connecticut. She is licensed to practice law and is a member of the Israeli Bar.

Zvi Lando joined SolarEdge in 2009 as our Vice President, Global Sales. Mr. Lando had previously spent 16 years at Applied Materials, based in Santa Clara, California, where he held several positions, including process engineer for metal disposition and chemical vapor deposition systems, business manager for the Process Diagnostic and Control Group, vice president, and general manager of the Baccini Cell Systems Division in the Applied Materials Solar Business Group. Mr. Lando holds a B.S. in Chemical Engineering from the Technion, Israel's Institute of Technology in Haifa, and is the author of several publications in the field of chemical disposition.

Lior Handelsman co-founded SolarEdge in 2006 and currently serves as our Vice President, Marketing and Product Strategy where he is responsible for SolarEdge's marketing activities, product management and business development. Previously, Mr. Handelsman served as Vice President, Product Strategy and Business Development, from 2009 through 2013 and Vice President, Product Development, from our founding through 2009. Mr. Handelsman also served as acting Vice President, Operations, from 2008 through 2010. Prior to co-founding SolarEdge, Mr. Handelsman spent 11 years at the ERD, where he held several positions including research and development power electronics engineer, head of the ERD's power electronics group and manager of several large-scale development projects and he was a branch head in his last position at the ERD. Mr. Handelsman holds a B.S. in Electrical Engineering (cum laude) and an MBA from the Technion, Israel's Institute of Technology in Haifa.

Yoav Galin co-founded SolarEdge in 2006 and has served since our founding as our Vice President, Research & Development where he is responsible for leading the execution of our technology strategy, building and managing the technology team and overseeing research and development of SolarEdge's innovative PV power harvesting products. Prior to joining SolarEdge, Mr. Galin served for 11 years at the ERD. During this period, Mr. Galin held various research and development and management positions, including his last position at the ERD where he led a project and its development team of over 30 hardware and software engineers. He was also responsible for overseeing the research and development of future technologies. Mr. Galin holds a B.S. in Electrical Engineering from Tel Aviv University.

Ilan Yoscovich joined SolarEdge in 2008 and currently serves as our Chief Technology Officer. Mr. Yoscovich is responsible for leading our future technology strategy, managing some of the most innovative PV power harvesting development activities within the Company and overseeing research and development and product activities with respect to technology, intellectual property, performance and cost structure. Previously, Mr. Yoscovich served SolarEdge as a Senior System Engineer from 2009 through 2011. Prior to joining SolarEdge, Mr. Yoscovich served as chief technology officer of Slyde Technologies, a wireless technology start-up company between 2005 and 2008. Prior to that, Mr. Yoscovich spent 10 years with the ERD. During this period, Mr. Yoscovich held various research and development and management positions, including leading a development team of over 25 engineers and his most recent role as a chief engineer leading a group of 60 engineers, in which he was responsible for overseeing research and development of future technologies. Mr. Yoscovich holds a B.S. in Electrical Engineering and an M.S. Electrical Engineering from Tel Aviv University.

Udy Gal-On joined SolarEdge in 2012 as our Vice President, Operations. Mr. Gal-On has over 22 years of experience in systems and integrated circuits creation and manufacturing. Prior to joining SolarEdge, Mr. Gal-On served as vice president of engineering at ECI Telecom Ltd, from 2007 to 2012, managing ECI's new product introduction and sustaining product support, presale technical forces, post-sale service highest escalation tier, and various design activities. Mr. Gal-On also served as product engineering department manager of the Cellular Processors unit at Intel Corp.'s Cellular & Handheld division, as vice president of operations for Mysticom Ltd. (ethernet integrated circuits), and as executive director of Product Engineering at MultiLink Technology Corporation (high speed communication integrated circuits). Mr. Gal-On holds a B.S. in Mechanical Engineering and an M.S. in Quality and Reliability Engineering from the Technion, Israel's Institute of Technology in Haifa.

Alon Shapira joined SolarEdge in 2012 and currently serves as our Vice President, Quality and Reliability. Mr. Shapira previously served as Senior Director, Special Projects from March through September 2012. Prior to joining SolarEdge, Mr. Shapira served over 19 years in multiple leadership positions with the ERD, directing hundreds of industry professionals and managing large scale projects. Among his positions, Mr. Shapira served as deputy to the head of the ERD and vice president, research and development of the ERD, and served for 7 years in the reliability department of the ERD. Mr. Shapira holds a B.S. in Electrical Engineering (summa cum laude) from the Technion, Israel's Institute of Technology in Haifa and an M.S. in Electrical Engineering Systems (cum laude) from Tel Aviv University.

Meir Adest co-founded SolarEdge in 2006 and has served since 2007 as our Vice President, Core Technologies where he is responsible for SolarEdge's certification and long-term reliability of SolarEdge products and research of future technologies. Prior to co-founding SolarEdge, Mr. Adest spent 7 years at the ERD, where he held a number of positions, starting as an embedded software engineer for mission-critical systems, progressing to the position of a software team leader, managing a large-scale techno-operational project, and finally managing a multi-disciplinary section with approximately 25 hardware and software engineers. Mr. Adest holds a B.Sc in mathematics, physics, and computer science from the Hebrew University in Jerusalem.

Dan Avida has served as a member of our board of directors since 2007. Mr. Avida is a partner at Opus Capital. Before joining Opus Capital in 2005, Mr. Avida served for four years as president and chief executive officer at Decru Inc., a pioneering storage security company that Mr. Avida co-founded in 2001. Between 1989 and 1999 Mr. Avida was employed by Electronics for Imaging, Inc. (NASDAQ:EFII), where he held a number of positions and ultimately served as chairman and chief executive officer. Prior to Electronics for Imaging, Mr. Avida served as an officer in the Israel Defense Forces. Mr. Avida holds a B.Sc. in Computer Engineering (summa cum laude) from the Technion, the Israel Institute of Technology. Mr. Avida's historical knowledge of our company and years of experience in working with innovative companies in the United States and Israel provide a valuable perspective to the board of directors.

Yoni Cheifetz has served as a member of our board of directors since 2010. Since 2006, Mr. Cheifetz has served as a Partner at Lightspeed Venture Partners, where he focuses on investment activity in Israel in areas of interest, including the Internet, general media, mobile, communications, software, semiconductors and cleantech. Prior to joining Lightspeed Venture Partners, Mr. Cheifetz was a partner with Star Ventures from 2003 to 2006. Before joining Star Ventures, Mr. Cheifetz worked for several privately held software companies. Mr. Cheifetz holds a B.Sc. in Applied Mathematics from Tel Aviv University and an M.Sc. in Applied Mathematics and Computer Science from the Weizmann Institute of Science. Mr. Cheifetz's historical knowledge of our company and extensive experience in working with technology companies qualify him to serve as a member of our board of directors.

Avery More has served as a member of our board of directors since 2006. Mr. More was the sole seed investor in the Company through his fund, ORR Partners I, L.P., and has participated in all successive rounds. Mr. More joined Menlo Ventures in 2013 as a venture partner, and focuses on investments in technology companies. Prior to joining Menlo Ventures, Mr. More was the president and chief executive officer of CompuCom Systems Inc. from 1989 to 1993. Mr. More currently serves on the board of directors of Vidyo, Inc., QualiSystems Ltd., Takipi BuzzStream and Intendu Ltd. Mr. More has specific attributes that qualify him to serve as a member of our board of directors, including his historical knowledge of our company and his experience as a director of other private and public technology companies.

Tal Payne will serve as a member of our board of directors upon consummation of the offering. Ms. Payne has served as chief financial officer at Check Point Software Technologies Ltd. since 2008. Prior to joining Check Point in 2008, Ms. Payne was chief financial officer at Gilat Satellite Networks, Ltd., where she was responsible for strategic planning, development and leadership of the finance organization and held the role of vice president of finance for over five years. Before joining Gilat, Ms. Payne was employed at PricewaterhouseCoopers, from 1994 to 1999. Ms. Payne holds a B.A. in Economics and Accounting and an Executive M.B.A., both from Tel Aviv University. Ms. Payne is also a certified public accountant. Ms. Payne brings valuable financial and business experience to our board through her years of experience as a chief financial officer with publicly traded companies.

Upon consummation of this offering, we expect our board of directors to consist of seven individuals including Guy Sella as chairman, three current directors, having employment or other relationships with certain investors in our Company, and three new directors. We are currently in discussions with several director candidates and plan to identify the additional directors in a subsequent filing. We expect all directors, other than Mr. Sella, to be independent under the standards of the NASDAQ Global Market.

Committees of our Board of Directors

Our board of directors will establish, effective upon the consummation of this offering, audit, compensation, and nominating and corporate governance committees. The composition, duties and responsibilities of these committees are set forth below. Our board of directors may from time to time establish certain other committees to facilitate the management of the Company.

Audit Committee

Our board of directors will establish, effective upon the consummation of this offering, an audit committee which is responsible for, among other matters: (1) appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm; (2) discussing with our independent registered public accounting firm its independence from us; (3) reviewing with our independent registered public accounting firm the matters required to be reviewed by applicable auditing requirements; (4) approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm; (5) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; (6) reviewing and monitoring our internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements and (7) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, auditing and federal securities law matters.

Our audit committee will consist of _____, with _____ serving as chairman. Rule 10A-3 of the Exchange Act and NASDAQ Global Market rules require us to have one

independent audit committee member upon the listing of our common stock on the NASDAQ Global Market, a majority of independent directors within 90 days of the date of listing and all independent audit committee members within one year of the date of listing. We intend to comply with the independence requirements within the time periods specified. Our board of directors has determined that _____ is an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable NASDAQ Global Market rules and regulations. Our board of directors will adopt, effective upon the consummation of this offering, a written charter for the audit committee, which will be available on our website upon the completion of this offering.

Compensation Committee

Our board of directors will establish, effective upon the consummation of this offering, a compensation committee which is responsible for, among other matters: (1) reviewing officer and executive compensation goals, policies, plans and programs; (2) reviewing and approving or recommending to our board of directors or the independent directors, as applicable, the compensation of our directors, Chief Executive Officer and other executive officers; (3) reviewing and approving employment agreements and other similar arrangements between us and our officers and other key executives and (4) appointing and overseeing any compensation consultants.

Our compensation committee will consist of _____, with _____ serving as chairman. The composition of our compensation committee will meet the requirements for independence under current rules and regulations of the SEC and the NASDAQ Global Market. Each member of the compensation committee will also be a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended. Our board of directors will adopt, effective upon the consummation of this offering, a written charter for the committee, which will be available on our website upon the completion of this offering.

Nominating and Corporate Governance Committee

Our board of directors will establish, effective upon the consummation of this offering, a nominating and corporate governance committee which is responsible for, among other matters: (1) identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors; (2) overseeing the organization of our board of directors to discharge the board's duties and responsibilities properly and efficiently; (3) developing and recommending to our board of directors a set of corporate governance guidelines and principles and (4) reviewing and approving related person transactions.

Our nominating and corporate governance committee will consist of _____, with _____ serving as chairman. The composition of our nominating and corporate governance committee will meet the requirements for independence under current rules and regulations of the SEC and the NASDAQ Global Market. Our board of directors will adopt, effective upon the consummation of this offering, a written charter for the nominating and corporate governance committee, which will be available on our website upon the completion of this offering.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is, or was in fiscal 2014, an officer or employee of the Company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Director Compensation for Fiscal 2014

The following table sets forth the total cash and equity compensation paid to our non-employee directors for their service on our board of directors and committees of our board of directors during fiscal 2014:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Dan Avida	—	—	—	—	—	—	—
Yoni Cheifetz	—	—	—	—	—	—	—
Chester A. Farris	—	—	—	—	—	—	—
Gary Gannot	—	—	—	—	—	—	—
Roni Hefetz	—	—	—	—	—	—	—
Doron Inbar	19,000(1)	—	—	—	—	—	19,000(1)
Avery More	—	—	—	—	—	—	—
Dror Nahumi	—	—	—	—	—	—	—
Yoram Oron	—	—	—	—	—	—	—
Bill Hallisey	—	—	—	—	—	—	—

(1) Mr. Inbar received these payments pursuant to a consulting agreement between the Company and D.A.I. — Management Consulting and Investments in "High-Tech" Ltd., under which Mr. Inbar provides management consulting services to, and serves as a director of, the Company.

New Director Compensation Program

After the completion of this offering, each of our non-employee directors will be eligible to receive compensation for his or her service on our board of directors consisting of annual cash retainers and equity awards. Our non-employee directors will be entitled to receive the following annual retainers for their service on our board of directors effective immediately following the consummation of this offering, which will be paid in four equal quarterly installments and prorated for any partial year of service on our board of directors:

Position	Retainer (\$)
Board Member	30,000
Audit Committee Chair	20,000
Compensation Committee Chair	10,000
Nominating and Corporate Governance Committee Chair	10,000
Audit Committee Member	5,000
Compensation Committee Member	5,000
Nominating and Corporate Governance Committee Member	5,000

Equity awards for our non-employee directors will consist of (i) an initial equity award in the form of stock options to purchase shares of our common stock, to be granted upon the later of the consummation of this offering or the individual's initial appointment to our board of directors, with a grant date value of \$100,000, and (ii) an annual equity award in the form of stock options to purchase shares of our common stock with a grant date value of \$33,000, subject to proration for sitting directors for the portion of fiscal 2015 following this offering, and for the portion of the year following commencement of board service for directors who initially join our board of directors during a particular year. Each of these stock options will be granted with a per share exercise price equal to the fair market value of our common stock on the grant date and will have a maximum term of ten years. The initial equity awards will vest in equal annual installments over three years and annual awards will vest in full after one year (or the balance of the year in which the award is granted, in the case of pro-rated annual awards), subject in each case to continued board service

through the applicable vesting date. All outstanding equity awards granted to our non-employee directors will vest upon a change in control.

Our directors will be reimbursed for travel, food, lodging and other expenses directly related to their activities as directors. Our directors are also entitled to the protection provided by the indemnification provisions in our bylaws that will become effective upon the completion of this offering. Our board of directors may revise the compensation arrangements for our directors from time to time.

Code of Business Conduct and Ethics

We will adopt, effective upon the consummation of this offering, a written code of business conduct and ethics that will apply to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. A copy of the code will be available on our website, www.solaredge.com.

EXECUTIVE COMPENSATION

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies," as such term is defined under the Securities Act of 1933, as amended (the "Securities Act"), which require compensation disclosure for our principal executive officer and the two most highly compensated executive officers other than our principal executive officer. The table below sets forth the annual compensation for services rendered during fiscal 2014 by such executive officers, also referred to as our named executive officers ("NEOs").

Fiscal 2014 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)(1)	Bonus \$(1)(2)	All Other Compensation \$(1)	Total (\$)
Guy Sella <i>Chief Executive Officer and Chairman of the Board</i>	2014	273,746	218,150	43,732(3)	535,628
Ronen Faier <i>Chief Financial Officer</i>	2014	188,201	63,991	29,850(4)	282,042
Zvi Lando <i>Vice President, Global Sales</i>	2014	178,223	79,544	26,588(5)	284,355

- (1) We paid the amounts reported for each named executive officer in New Israeli Shekels. We have translated amounts paid in New Israeli Shekels into U.S. dollars at the foreign exchange rate published by the Bank of Israel as of the date of payment.
- (2) Represents discretionary bonuses paid to Mr. Sella, Mr. Faier and Mr. Lando in respect of the Company's performance in the relevant fiscal year.
- (3) Includes a \$22,812 contribution by the Company to Mr. Sella's severance fund and \$20,920 in aggregate Company contributions to pension and Israeli recreational funds and a recuperation allowance.
- (4) Includes a \$15,683 contribution by the Company to Mr. Faier's severance fund and \$14,167 in aggregate Company contributions to pension and Israeli recreational funds and a recuperation allowance.
- (5) Includes a \$14,852 contribution by the Company to Mr. Lando's severance fund and \$11,736 in aggregate Company contributions to pension and Israeli recreational funds and a recuperation allowance.

Outstanding Equity Awards as of June 30, 2014

The following table provides information regarding outstanding equity awards held by each of our NEOs as of June 30, 2014, including the vesting dates for the portions of these awards that had not vested as of that date.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Guy Sella	220,000	—	\$ 0.50	July 1, 2019	—	—
	138,958	91,042(1)	\$ 0.82	January 26, 2022	—	—
Ronen Faier	500,000	100,000(2)	\$ 0.67	January 25, 2021	—	—
	166,146	108,854(3)	\$ 0.82	January 26, 2022	—	—
Zvi Lando	480,000	—	\$ 0.50	May 28, 2019	—	—
	126,667	63,333(4)	\$ 0.67	January 25, 2021	—	—
	123,854	81,146(5)	\$ 0.82	January 26, 2022	—	—

- (1) The shares subject to the stock option vest over a four-year period commencing January 31, 2012, with 1/48 of the shares vesting monthly thereafter.
- (2) The shares subject to the stock option vest over a four-year period commencing February 1, 2011, with 1/4 of the shares vesting February 1, 2012 and 1/48 of the shares vesting monthly thereafter.
- (3) The shares subject to the stock option vest over a four-year period commencing January 31, 2012, with 1/48 of the shares vesting monthly thereafter.
- (4) The shares subject to the stock option vest over a five-year period commencing February 1, 2011, with 1/60 of the shares vesting monthly thereafter.
- (5) The shares subject to the stock option vest over a four-year period commencing January 31, 2012, with 1/48 of the shares vesting monthly thereafter.

Since June 30, 2014, our board has granted additional stock option awards to our NEOs, including a December 2014 grant of 2,331,758 stock option awards to our Chief Executive Officer, Guy Sella.

Employment Agreements

During 2014, we were party to an employment agreement with Mr. Sella, effective as of September 1, 2007, pursuant to which he began serving as our (and SolarEdge Technologies Ltd.'s) Chief Executive Officer and Chairman of the Board, SolarEdge Technologies Ltd. was party to an employment agreement with Mr. Faier, effective as of December 1, 2010, pursuant to which he began serving as its Chief Financial Officer, and SolarEdge Technologies, Ltd. was party to an employment agreement with Mr. Lando effective as of May 17, 2009, pursuant to which he began serving as its Global Vice President of Sales. Each of these employment agreements provides for employment of the NEO on an "at-will" basis. In all cases, either party may terminate the agreement by providing 60 days prior written notice; provided, however, that we may terminate the agreements immediately and without prior notice and make a payment in lieu of advance notice, in accordance with applicable law. In addition, we may also terminate the agreements immediately upon written notice in the event of "cause" (as defined therein).

The agreements provide for a base salary, vacation, sick leave, payments to a pension and severance fund as well as an Israeli recreational fund and recuperation pay in accordance with Israeli law. Pursuant to the agreements, we have effected a manager's insurance policy for each NEO pursuant to which we make contributions on behalf of each NEO as well as the required statutory deductions from salary and any other amounts payable under the agreements on behalf of each NEO to the relevant authorities in accordance with Israeli law. In the case of Mr. Sella, we contribute 8.33% of his base salary toward the policy for the severance pay component, 5% for the savings and risk component, 7.5% for the Israeli recreational fund component, up to \$3,800 per year, and up to 2.5% for disability insurance. In the case of Mr. Faier, we contribute 8.33% of his base salary toward the policy for the severance pay component, 5% in the case of an insurance policy (or 6% in the case of a pension fund, with such amount to be allocated to a provident fund or pension plan) and 7.5% for the Israeli recreational fund component, up to \$3,800 per year. In the event that Mr. Faier chooses to allocate payments to an insurance policy (and not a pension fund), we will contribute up to 2.5% of his salary toward disability insurance. In the case of Mr. Lando, we contribute 8.33% of his base salary toward the policy for the severance pay component and 5% to a provident fund, insurance policy or pension plan and 7.5% for the Israeli recreational fund component, up to \$3,800 per year. We will also contribute up to 2.5% of his base salary for disability insurance provided that such insurance is available. In all cases we deduct 5% of each NEO's base salary to be paid on behalf of the NEO toward the policy (or 5.5%, in the case of Mr. Faier in the event he chooses to allocate his payments to a pension plan).

Incentive Compensation

The Company has never had and does not presently have a cash-based incentive plan.

Post-Employment Compensation and Change in Control Payments and Benefits

Severance

Pursuant to the terms of the employment agreements with the NEOs, as well as in accordance with Israeli law, upon a termination of the NEO's employment, the NEO is entitled to the payments we have made on behalf of each NEO to the Manager's Insurance Policy.

Equity Acceleration

Pursuant to the terms of his employment agreement, if Mr. Sella is terminated without "cause" after the occurrence of a "change in control" (each as defined in his agreement), he will be entitled to full acceleration of any unvested shares of restricted stock or stock options held by him at the time of such termination. Pursuant to the terms of their respective employment agreements, if Mr. Faier or Mr. Lando terminates his employment due to "justifiable reason" (as defined therein) or SolarEdge Technologies, Ltd. terminates Mr. Faier's or Mr. Lando's employment within twelve months of the date of a "transaction" (as defined therein), then all outstanding and unvested stock options will become fully vested and exercisable as of the date of such termination.

Pursuant to the terms of a Restricted Stock Agreement entered into with Mr. Sella as of December 11, 2007, in the event that he is terminated for "cause" (as defined therein), all stock acquired pursuant to such agreement will be subject to repurchase by us.

Furthermore, in the event of a "transaction" (as defined in our 2007 Global Incentive Plan (the "2007 Plan")), all outstanding equity held by each NEO will accelerate to the extent such awards are not assumed or substituted by a successor corporation in connection with such transaction.

Employee Benefit Plans

2015 Global Incentive Plan

Prior to and effective upon consummation of this offering, our board of directors will adopt the SolarEdge Technologies, Inc. 2015 Global Incentive Plan (the "2015 Plan").

Purpose. The grant of awards under the 2015 Plan is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company and provide a means by which the eligible recipients may benefit from increases in the value of our common stock.

Types of Awards. The 2015 Plan provides for the grant of incentive stock options within the meaning of Section 422 of the Code, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance stock unit awards, performance cash awards and other stock awards.

Eligibility. Awards may be granted to employees, including officers, non-employee directors and consultants of ours and our affiliates. Only our employees and those of our affiliates are eligible to receive incentive stock options.

Shares Subject to the 2015 Plan. Subject to adjustment for certain dilutive or related events, the aggregate maximum number of shares of our common stock that may be issued pursuant to stock awards under the 2015 Plan (the "Share Reserve") will initially be fifteen million (15,000,000) shares of common stock. In addition, the number of shares of common stock equal to the total number of shares of common stock subject to outstanding awards granted under the 2007 Plan that expire or terminate for any reason prior to exercise or settlement but after this offering, are forfeited or are otherwise reacquired or withheld (or not issued) to satisfy a tax withholding obligation in connection with an award will be added to the Share Reserve.

Shares of our common stock subject to awards that are settled in cash or cancelled or terminated will return to the Share Reserve. In addition, shares of common stock that are forfeited back to, reacquired at no cost by, or repurchased at cost by the Company, as well as shares that are retained or reacquired by the Company to satisfy tax obligations or the exercise or purchase price of an award, will return to the Share Reserve.

The Share Reserve will automatically increase on January 1st of each year during the term of the 2015 Plan commencing on January 1st of the year following the year in which the 2015 Plan becomes effective in an amount equal to five percent (5%) of the total number of shares of capital stock outstanding on December 31st of the preceding calendar year; provided, however, that our board of directors may provide that there will not be a January 1st increase in the Share Reserve in a given year or that the increase will be less than five percent (5%) of the shares of capital stock outstanding on the preceding December 31st.

The aggregate maximum number of shares of common stock that may be issued on the exercise of incentive stock options is fifteen million (15,000,000).

Shares issued under the 2015 Plan may consist of authorized but unissued or reacquired common stock of the Company, including shares repurchased by the Company on the open market or otherwise.

Administration. The board of directors has the authority to administer the 2015 Plan and will delegate administration of the 2015 Plan to our compensation committee. The compensation committee may delegate some or all of the administration of the 2015 Plan to one or more subcommittees of the compensation committee and/or officers or employees of the Company to the extent permitted under applicable law.

Our board of directors or the compensation committee will have the authority to adopt procedures and sub-plans as appropriate (1) to permit the participation of eligible persons who are subject to taxation in jurisdictions other than the U.S. (the country within which the Company has its corporate domicile) and (2) to allow awards to qualify for special tax treatment in another jurisdiction.

Stock Options. A stock option may be granted as an incentive stock option or a nonqualified stock option. The option exercise price may not be less than the fair market value of the stock subject to the option on the date the option is granted (or, with respect to incentive stock options, less than 110% of the fair market value if the recipient owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any affiliate (a "Ten Percent Stockholder"), unless the option was granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 409A and, if applicable, Section 424(a) of the Code). Options will not be exercisable after the expiration of ten years from the date of grant (or five years, in the case of an incentive stock option issued to a Ten Percent Stockholder). The exercise price of an option may be paid by cash, check, bank draft, money order, net issuance or as otherwise determined by the administrator and set forth in an award agreement, including through an irrevocable commitment by a broker to pay over such amount from the sale of the shares issuable under the option or the delivery of previously owned shares.

Stock Appreciation Rights. A stock appreciation right (a "SAR"), is a right that entitles the participant to receive, in cash or shares of common stock or a combination thereof, as determined by the administrator, value equal to or otherwise based on the excess of (i) the fair market value of a specified number of shares at the time of exercise over (ii) the exercise price of the right, as established by administrator on the date of grant. Upon exercising a SAR, the participant is entitled to receive the amount by which the fair market value of the stock at the time of exercise exceeds the exercise price of the SAR. The exercise price of each SAR may not be less than the fair market value of the stock subject to the award on the date the SAR is granted, unless the SAR was granted pursuant to an assumption of or substitution for another option in a manner satisfying the provisions of Section 409A of the Code. SARs will not be exercisable after the expiration of ten years from the date of grant.

Provisions Applicable to Both Options and SARs.

Transferability. Unless the administrator provides otherwise, an option or SAR will not be transferable except by will or the laws of descent and distribution and will be exercisable during the lifetime of a participant only by such participant. The administrator may permit transfer of an option or SAR in a manner not prohibited by applicable law. Subject to approval by the administrator, an option or SAR may be transferred pursuant to the terms of a domestic relations order or similar instrument or pursuant to a beneficiary designation.

Termination of Service. Except as otherwise provided in an applicable award document or other agreement between a participant and the Company, upon a termination for any reason other than for cause or due to death or disability, a participant may exercise his or her option or SAR (to the extent such award was exercisable as of the date of termination) for a period of three months following the termination date or, if earlier, until the expiration of the term of such award. Upon a termination due to a participant's disability, unless otherwise provided in an applicable award or other agreement, the participant may exercise his or her option or SAR (to the extent that such award was exercisable as of the date of termination) for a period of 12 months following the termination date or, if earlier, until the expiration of the term of such award. Upon a termination due to a participant's death, unless otherwise provided in an applicable award or other agreement, the participant's estate may exercise the option or SAR (to the extent such award was exercisable as of the termination date) for a period of 18 months following the termination date or, if earlier, until the

expiration of the term of such award. Unless provided otherwise in an award or other agreement, an option or SAR will terminate on the date that a participant is terminated for cause and the participant will not be permitted to exercise such award.

Awards Other Than Options and SARs.

Restricted Stock and Restricted Stock Unit Awards. Restricted shares are awards of shares, the grant, issuance, retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment) and terms as the administrator deems appropriate. Restricted stock units ("RSUs") are an award denominated in units under which the issuance of shares (or cash payment in lieu thereof) is subject to such conditions (including continued employment) and terms as the administrator deems appropriate. Each award document evidencing a grant of restricted stock or RSUs will set forth the terms and conditions of each award, including vesting and forfeiture provisions, transferability and, if applicable, right to receive dividends or dividend equivalents.

Performance Awards. A performance award is a stock or cash award that is payable contingent upon the attainment during a performance period of certain performance goals. A performance award may, but need not, require the completion of a specified period of service. The length of any performance period, the applicable performance goals and the measurement of whether and to what degree such performance goals have been attained will be as determined by the compensation committee. The compensation committee retains the discretion to reduce or eliminate the compensation or economic benefit upon the attainment of any performance goals.

Performance Goals. The compensation committee may select one or more of the following criteria for purposes of establishing performance goals, which may be established with respect to all or part of the business, or on a relative or absolute basis: (1) profit before tax; (2) billings; (3) revenue; (4) net revenue; (5) earnings (which may include earnings before interest, taxes, depreciation and amortization, or some of them, or net earnings); (6) operating income; (7) operating margin; (8) operating profit; (9) controllable operating profit, or net operating profit; (10) net profit; (11) gross margin; (12) operating expenses or operating expenses as a percentage of revenue; (13) net income; (14) earnings per share; (15) total stockholder return calculated either solely with respect to the Company's performance or relative to a benchmark; (16) market share; (17) return on assets or net assets; (18) the Company's stock price; (19) growth in stockholder value relative to a pre-determined index; (20) return on equity; (21) return on invested capital; (22) cash flow (including free cash flow or operating cash flows); (23) cash conversion cycle; (24) economic value added; (25) individual confidential business objectives; (26) contract awards or backlog; (27) overhead or other expense reduction; (28) credit rating; (29) strategic plan development and implementation; (30) succession plan development and implementation; (31) improvement in workforce diversity; (32) customer indicators; (33) new product invention or innovation; (34) attainment of research and development milestones; (35) improvements in productivity; (36) achievement in quality product production and/or performance; and (37) bookings.

Other Stock Awards. The 2015 Plan permits the grant of other forms of stock awards valued in whole or in part by reference to, or otherwise based on, the common stock of the Company. Subject to the provisions of the 2015 Plan, the compensation committee has the sole and complete authority to determine the persons to whom and the times at which such other stock awards may be granted and other provisions related thereto.

Non-Employee Director Grants. In addition to any awards that may be granted on a discretionary basis to non-employee directors under the 2015 Plan, each director who has not been either (i) an employee of the Company or any of its subsidiaries or (ii) a consultant for the

Company or any of its subsidiaries, will be automatically granted, as applicable, an initial stock award upon commencement of service on our board of directors and an annual stock award, pursuant to the provisions set forth in the 2015 Plan.

Adjustment Provisions. In the event of any change in the capitalization of the Company, the compensation committee will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the 2015 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of incentive stock options; (iii) the class(es) and maximum number of securities that may be awarded to any person in compliance with Section 162(m) of the Code; and (iv) the class(es) and number of securities or other property and value (including price per share of stock) subject to outstanding stock awards. Unless provided otherwise in an award or other agreement, in the event of a dissolution or liquidation of the Company, all outstanding stock awards (other than stock awards consisting of vested and outstanding shares of company common stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of common stock subject to the Company's repurchase rights or subject to forfeiture may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such stock award is providing continuous service; provided, however, that our board of directors may, in its sole discretion, provide that some or all stock awards will become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent not already expired or terminated) before the dissolution or liquidation is completed but contingent upon its completion.

Change in Control. In the event of Change in Control (as defined in the 2015 Plan), our board of directors will have discretion to take one or more of the following actions with respect to each outstanding award, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the award or to substitute a similar stock award for the award (including, but not limited to, an award to acquire the same consideration per share paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of common stock issued pursuant to the award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the award (and, if applicable, the time at which the award may be exercised) to a date prior to the effective time of such Change in Control, with such award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the award;

(v) cancel or arrange for the cancellation of the award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as our board of directors, in its reasonable determination, may consider appropriate as an approximation of the value of the canceled award; or

(vi) cancel or arrange for the cancellation of the award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for a payment, in such form as may be determined by the board of directors, equal to the excess, if any, of (A) the value in the Change in Control of the property the participant would have received

upon the exercise of the award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such holder in connection with such exercise.

Our board of directors need not take the same action or actions with respect to all awards or portions thereof or with respect to all participants and may take different actions with respect to the vested and unvested portions of an award.

In the absence of any affirmative determination by our board of directors at the time of a Change in Control, each outstanding award will be assumed or an equivalent award will be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless the successor corporation does not agree to assume the award or to substitute an equivalent award, in which case the vesting of such award will accelerate in its entirety (along with, if applicable, the time at which the award may be exercised) to a date prior to the effective time of such Change in Control as our board of directors will determine (or, if our board of directors will not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such award terminating if not exercised (if applicable) at the effective time of the Change in Control.

Termination and Amendment. Our board of directors or the compensation committee may terminate or suspend the 2015 Plan at any time. Our board of directors or the compensation committee may amend the 2015 Plan as it deems necessary or advisable. If required by applicable law or stock exchange listing requirements, the Company will seek stockholder approval of any amendment of the 2015 Plan that materially (A) increases the number of shares available for issuance under the 2015 Plan, (B) expands the class of individuals eligible to receive awards, (C) increases the benefits accruing to participants under the 2015 Plan, (D) reduces the price at which shares of common stock may be issued or purchased under the 2015 Plan, (E) extends the term of the 2015 Plan, or (F) expands the types of awards available for issuance under the 2015 Plan. Except as otherwise provided in the 2015 Plan or an award document, no amendment of the 2015 Plan will materially impair a participant's rights under an outstanding award without the participant's written consent. The 2015 Plan will have no fixed expiration date; provided, however, that no incentive stock option may be granted after the 10th anniversary of the later of the date the 2015 Plan was adopted by our board of directors or the date the board of directors adopts an amendment to the 2015 Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code. No awards may be granted under the 2015 Plan while the 2015 Plan is suspended or terminated.

2007 Global Incentive Plan

Our board of directors adopted and our stockholders approved the 2007 Plan, in 2007. The 2007 Plan includes three appendices applicable to participants in each of Israel, the U.S. and Germany, each containing provisions with respect to local laws.

Purpose. The 2007 Plan provides a means to incentivize persons of training, experience and ability, to attract new employees, directors, consultants and service providers, to encourage a sense of proprietorship of such persons and to stimulate the active interest of such persons in our development and financial success by providing such persons with opportunities to acquire our common stock.

Authorized Shares. Our 2007 Plan will be terminated in connection with this offering, and, accordingly, no further shares of common stock will be available for issuance under this plan. Our 2007 Plan will continue to govern outstanding awards granted thereunder. As of December 31, 2014, _____ shares remained available for grant, and options to purchase _____ shares of our common stock remained outstanding under the 2007 Plan.

Plan Administration. Our board of directors or a committee thereof appointed by our board has the authority to administer our 2007 Plan. Subject to the provisions of the 2007 Plan, the administrator has the power to (i) designate participants; (ii) determine the terms and provisions of award agreements (which need not be identical); (iii) accelerate the right of a participant to exercise, in whole or in part, any previously granted award; (iv) interpret the provisions and supervise the administration of the 2007 Plan; (v) determine the fair market value of our common stock; (vi) designate the type of awards to be granted to a participant; and (vii) determine any other matter which is necessary or desirable for, or incidental to, administration of the 2007 Plan.

Stock Options. The administrator may grant options under the 2007 Plan. The term of an option may not exceed ten years. The methods of payment of the exercise price of an option may include cash, check, wire transfer or, at the discretion of the administrator, through delivery of shares of our common stock valued at fair market value on the exercise date. After the termination of service, unless otherwise provided in an award agreement or by the administrator prior to the date of such termination, all unvested stock options will immediately expire and vested options will remain exercisable for a period of three months (if such termination is by us other than for death, disability or for cause) or for twelve months (if such termination is the result of death or disability). In no event may an option be exercised later than the expiration of its term. Shares of our common stock issued upon the exercise of stock options may be subject to various restrictions, including restrictions on transferability and forfeiture provisions.

Restricted Stock. Shares of restricted common stock may be issued under our 2007 Plan. Each such stock issuance is evidenced by a restricted stock agreement. Grants of restricted stock may be subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2007 Plan, the administrator will adjust the number, class and kind of shares that may be delivered under our 2007 Plan or subject to outstanding awards and the purchase prices so as to maintain the proportionate number of common stock without changing the aggregate purchase price. Upon happening of any of the foregoing, the class and aggregate number of shares of our common stock issuable pursuant to the 2007 Plan in respect of which awards have not yet been exercised will be appropriately adjusted. In the event of a liquidation or dissolution, the administrator will notify participants and provide them with ten days to exercise any unvested awards and upon the expiration of such ten day period, all remaining outstanding awards will terminate.

Transaction. Our 2007 Plan provides that in the event of (i) the consummation of a merger, acquisition or reorganization of the Company with one or more other entities after which the beneficial owners of our outstanding voting securities immediately prior to such transaction do not own at least 50% of the outstanding voting securities of the successor company that results from such transaction or (ii) a sale of all or substantially all of our assets or stock to another entity, each outstanding award will be assumed or substituted by the successor corporation and appropriate adjustments will be made to the purchase price of each award and all other terms, including vesting terms, will remain unchanged subject to the discretion of the administrator. Notwithstanding the foregoing, the administrator has the power and authority to provide in certain award agreements for acceleration of unvested awards in the event that a successor company refuses to assume or substitute outstanding awards. The administrator may also provide that in lieu of assumption or substitution, outstanding awards may be cashed out.

Amendment, Termination. Our board of directors may amend, alter, suspend or terminate our 2007 Plan at any time, provided that such amendment, alternation, suspension or termination does

not impair a participant's rights under outstanding awards without the participant's written consent. As noted above, upon the completion of this offering, the 2007 Plan will be terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms.

Employee Stock Purchase Plan

Prior to and effective upon consummation of this offering, our board of directors will adopt an Employee Stock Purchase Plan in order to enable eligible employees to purchase shares of our common stock at a discount following the date of this offering. Purchases will be accomplished through participation in discrete offering periods. Our Employee Stock Purchase Plan, excluding any sub-plans thereunder, is intended to qualify as an employee stock purchase plan under Section 423 of the Code. We will initially reserve a number of shares of our common stock for issuance under our Employee Stock Purchase Plan equal to two million (2,000,000) shares. The number of shares of common stock reserved for issuance under our Employee Stock Purchase Plan will increase automatically on January 1 of each year, for ten years, by the lesser of 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year or two million (2,000,000) shares. However, our board of directors may reduce the amount of the increase in any particular year at their discretion, including a reduction to zero. The maximum number of shares that may be issued to any employee in a given offering period will be that number of shares of common stock that could be purchased on the commencement date of such offering period with ten thousand dollars (\$10,000), taking into consideration any discount from the offering period pursuant to the provisions of the Employee Stock Purchase Plan.

Our compensation committee will administer our Employee Stock Purchase Plan. All of our employees who work 20 or more hours per week or for five more months per year that are employed at the beginning of an enrollment period are generally eligible to participate in our Employee Stock Purchase Plan. Employees who are 5% stockholders, or would become 5% stockholders as a result of their participation in our Employee Stock Purchase Plan, cannot participate in our Employee Stock Purchase Plan. Under our Employee Stock Purchase Plan, eligible employees will be able to acquire shares of our common stock by accumulating funds through payroll deductions. Our eligible employees will be able to select a rate of payroll deduction between 1% and 10% of their eligible compensation. We will also have the right to amend or terminate our Employee Stock Purchase Plan at any time. Our Employee Stock Purchase Plan will continue for a maximum of ten (10) years from adoption or until earlier terminated in accordance with the provisions therein.

For each offering period, new participants will be required to enroll in a timely manner. Once an employee is enrolled, participation will be automatic in subsequent purchase periods. No offering period can run for more than 27 months. An employee's participation automatically ends upon termination of employment for any reason, unless provided otherwise by the compensation committee in the event of a termination occurring within 30 days prior to the end of an offering period.

In addition to the share limit for each offering period, no participant will have the right to purchase shares of our common stock in an amount, when aggregated with purchase rights under all our employee stock purchase plans that are also in effect in the same calendar year, that has a fair market value of more than \$25,000, determined as of the first day of the applicable purchase period, for each calendar year in which that right is outstanding. The purchase price for shares of our common stock purchased under our Employee Stock Purchase Plan will be not less than 85% of the lesser of the fair market value of our common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of each purchase period in the applicable offering period.

If we experience any change in our capitalization without receipt of consideration by the Company, the type and number of securities covered by each outstanding purchase right and the number of authorized shares under the Employee Stock Purchase Plan will be appropriately and proportionately adjusted by our board of directors.

If we experience a proposed liquidation or dissolution, any offering period will terminate immediately prior to the consummation of such transaction and all outstanding purchase rights will automatically terminate and the amounts of all payroll deductions will be refunded without interest to the participants. In the event of a proposed sale of all or substantially all of our assets, or our merger or consolidation or similar combination of the Company with or into another entity, then in the sole discretion of our board of directors, (1) each purchase right will be assumed or an equivalent right substituted by the successor corporation or parent or subsidiary of such successor entity, (2) on a date established by our board of directors on or before the date of consummation of such merger, consolidation, combination or sale, such date will be treated as a purchase date, and all outstanding purchase rights will be exercised on such date, (3) all outstanding purchase rights will terminate and the accumulated payroll deductions will be refunded without interest to the participants, or (4) outstanding purchase rights will continue unchanged.

The compensation committee may adopt rules or procedures relating to the operation and administration of the Employee Stock Purchase Plan to accommodate specific requirements of local laws and jurisdictions and, if necessary, can establish sub-plans for particular foreign jurisdictions.

Our board of directors or compensation committee may terminate or suspend the Employee Stock Purchase Plan at any time and may revise or amend the plan in any respect, subject to required stockholder approval.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of January 31, 2015 with respect to:

- each person known by us to beneficially own 5% or more of the outstanding shares of our common stock;
- each member of our board of directors upon the consummation of this offering and each named executive officer; and
- the members of our board of directors upon the consummation of this offering and our named executive officers as a group.

Unless otherwise noted below, the address of each beneficial owner listed in the table below is c/o SolarEdge Technologies, Inc., 6 HeHarash St., PO Box 7349, Hod Hasharon 45240, Israel.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that each person or entity named in the table below has sole voting and investment power with respect to all shares of common stock that he, she or it beneficially owns, subject to applicable community property laws.

Applicable percentage of beneficial ownership prior to this offering is based on 93,209,355 shares of common stock that would be outstanding as of January 31, 2015 assuming the conversion of all outstanding shares of preferred stock into shares of common stock. Applicable percentage ownership after this offering is based on _____ shares of common stock to be outstanding after this offering, after giving effect to the issuance of _____ shares of our common

stock that we expect to be sold in this offering and giving effect of the conversion of all 84,743,792 outstanding shares of preferred stock into 84,743,792 shares of common stock.

Name of Beneficial Owner	Shares Beneficially Owned Before Offering		Shares Beneficially Owned After Offering Assuming No Exercise of the Underwriters' Option		Shares Beneficially Owned After Offering Assuming Full Exercise of the Underwriters' Option	
	Shares	%	Shares	%	Shares	%
5% Stockholders:						
Affiliates of ORR Partners I, L.P.(1)	5,102,234	5.47%				
Affiliates of Opus Capital Venture Partners V, L.P.(2)	13,649,834	14.64%				
Genesis Partners III L.P.(3)	13,649,835	14.64%				
Affiliates of Pacven Walden Ventures VI, L.P.(4)	13,647,794	14.64%				
Affiliates of Vertex III (C.I.) Fund L.P.(5)	5,535,792	5.94%				
Norwest Venture Partners XI, L.P.(6)	9,847,519	10.56%				
Lightspeed Venture Partners VIII LP(7)	10,741,951	11.52%				
NWC SolarEdge Holdings, LLC(8)	5,928,169	6.36%				
Directors and Named Executive Officers:						
Guy Sella(9)	1,868,651	2.00%				
Ronen Faier(10)	838,541	*				
Zvi Lando(11)	821,458	*				
Dan Avida(12)	13,649,834	14.64%				
Yoni Cheifetz	—	—				
Avery More(13)	5,102,234	5.47%				
Tal Payne	—	—				
All directors and executive officers as a group (16 individuals)(14)						%

* Represents beneficial ownership of less than 1%.

- (1) Consists of 3,529,412 shares held by ORR Partners I, L.P., 489,396 shares held by ORR Partners I-S, L.P., 584,710 shares held by ORR Partners I-S, II, L.P. and 498,716 shares held by ORR Partners I-S III, L.P. (together with ORR Partners I, L.P. and ORR Partners I-S, L.P., the "ORR Partners Funds"). Avery More is the general partner of the ORR Partners Funds, and has voting and investment power with respect to the shares held by the ORR Partners Funds. The principal business address of each of the ORR Partners Funds is 5930 Royal Lane, Suite E-120, Dallas, TX 75230.
- (2) Opus Capital Venture Partners V, L.P.'s investment committee consists of Carl Showalter, Dan Avida, Gill Cogan and Joseph Cutts. Each of these individuals has shared voting and investment power over the shares held by Opus Capital Venture Partners, L.P. The principal business address of each of the Opus Capital Venture Partners Funds is 2730 Sand Hill Road, Suite 150, Menlo Park, CA 94025.
- (3) The investment committee of Genesis Partners III L.P.'s general partner, Genesis Partners III Management Ltd., consists of Eddy Shalev, Dr. Eyal Kishon, Gary Gannot, Jonathan Saacks and Hadar Kiriati. Each of these individuals has shared voting and investment power over the shares held by Genesis Partners III L.P. The principal business address of Genesis Partners III L.P. is 11B Hamenofim St., Hertzilia Pituach POB 12866 Israel 46733.
- (4) Consists of 12,661,861 shares held by Pacven Walden Ventures VI, L.P. and 985,933 shares held by Pacven Walden Ventures Parallel VI, L.P. (together with Pacven Walden Ventures VI, L.P., the "Pacven Walden Funds"). The general partner of Pacven Walden Ventures VI, L.P. ("Pacven VI") and Pacven Walden Ventures VI Parallel VI, L.P. ("Pacven VI Parallel") is Pacven Walden Management VI Co. Ltd., which is affiliated with Walden International, a venture capital firm. Mr. Lip-Bu Tan is the sole director and a member of the investment committee of Pacven Walden Management VI Co., Ltd. and shares voting and investment power with respect to the shares held by Pacven VI and Pacven VI Parallel with other members of the investment committee, i.e., Andrew Kau, and Brian Chiang. The business address of Pacven VI, Pacven VI Parallel and Walden International is One California Street 28th Floor, San Francisco, California 94111.

- (5) Consists of 4,033,295 shares held by Vertex III (C.I.) Fund L.P. ("Vertex III (C.I.)"), 708,223 shares held by Vertex III (Israel) Fund, L.P. ("Vertex III (Israel)"), 144,903 shares held by Vertex III (Israel B) Fund, L.P. ("Vertex III (Israel B)"), 434,605 shares held by Vertex III (DCM) Fund, L.P. ("Vertex III (DCM)"), 119,124 shares held by Vertex III (C.I.) (G) Fund, L.P. ("Vertex III (C.I.) (G)") and 95,642 shares held by Quest for Growth NV (Vertex) ("Quest for Growth", and together with Vertex III (C.I.), Vertex III (Israel), Vertex III (Israel B), Vertex III (DCM) and Vertex III (C.I.) (G), the "Vertex Funds".) The investment committee for each of the Vertex Funds consists of Yoram Oron, Lee Kheng Nam and Chua Kee Lock. Each of these individuals has shared voting and investment power over the shares held by each of the Vertex Funds. The principal business address of each of the Vertex Funds is 1 HaShikma Street, Savyon 56530, Israel.
- (6) The general partner of Norwest Venture Partners XI, L.P. is Genesis VC Partners XI, LLC. The managing member of Genesis VC Partners XI, LLC is NVP Associates, LLC. Promod Haque, Matthew Howard and Jeffrey Crowe are co-chief executive officers of NVP Associates, LLC. Each of these individuals has shared voting and investment power over the shares held by Norwest Venture Partners XI, L.P. The address of Norwest Venture Partners XI, L.P. is 525 University Avenue, Suite 800, Palo Alto, CA 94301-1922.
- (7) Lightspeed Ultimate General Partner VIII, Ltd. is the general partner of Lightspeed General Partner VIII, L.P, which is the general partner of Lightspeed Venture Partners VIII, L.P. As such, Lightspeed Ultimate General Partner VIII, Ltd. possesses the power to direct the voting and disposition of the shares owned by Lightspeed Venture Partners VIII, L.P. and may be deemed to have indirect beneficial ownership of the shares held by Lightspeed Venture Partners VIII, L.P. Christopher J. Schaepe, Barry Eggers, Ravi Mhatre and Peter Nieh are the directors of Lightspeed Ultimate General Partner VIII, Ltd. and possess power to direct the voting and disposition of the shares owned by Lightspeed Venture Partners VIII, L.P. and may be deemed to have indirect beneficial ownership of the shares held by Lightspeed Venture Partners VIII, L.P. The address for Lightspeed Ultimate General Partner VIII, Ltd. is 2200 Sand Hill Road, Menlo Park, California 94025.
- (8) The general partner of both members of NWC Solar Edge Holdings is NWC IP GP IV, LLC. The executive committee and the investment committee of the general partner consist of Carter Bales, William Hallisey, Ali Iz and Louis Schick. Each of these individuals has shared voting and investment power over the shares held by NWC Solar Edge Holdings, LLC. Each such individual disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The principal business address of NWC SolarEdge Holdings, LLC is 527 Madison Avenue, 24th Floor, New York, NY 10022.
- (9) Consists of 1,300,000 shares of common stock owned of record by Mr. Sella and 568,651 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.
- (10) Consists of 838,541 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.
- (11) Consists of 821,458 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.
- (12) Consists solely of shares described in Note (2) above.
- (13) Consists solely of shares described in Note (1) above.
- (14) We will include the additional directors that will be appointed in connection with the consummation of this offering in a subsequent filing.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions since July 1, 2011 to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described under "Executive Compensation" and "Management — Director Compensation."

Private Placement Financings

The following table summarizes purchases of our convertible preferred stock since July 1, 2011 by holders of more than 5% of our capital stock and their affiliated entities.

Name	Shares of Series D Convertible Preferred Stock	Aggregate Purchase Price of Series D Convertible Preferred Stock (\$)	Shares of Series D-1 Convertible Preferred Stock	Aggregate Purchase Price of Series D-1 Convertible Preferred Stock (\$)	Shares of Series D-2 Convertible Preferred Stock	Aggregate Purchase Price of Series D-2 Convertible Preferred Stock (\$)	Shares of Series D-3 Convertible Preferred Stock	Aggregate Purchase Price of Series D-3 Convertible Preferred Stock (\$)	Shares of Series E Convertible Preferred Stock	Aggregate Purchase Price of Series E Convertible Preferred Stock (\$)
Affiliates of ORR Partners I, L.P.	64,963	150,000	103,140	238,150	123,768	285,780	206,845	477,605	—	—
Opus Capital Venture Partners, L.P.	1,444,123	3,334,480	390,776	902,301	468,989	1,082,895	783,792	1,809,776	—	—
Genesis Partners III L.P.	1,444,112	3,334,455	390,873	902,525	468,989	1,082,895	783,792	1,809,776	—	—
Affiliates of Pacven Walden Ventures VI, L.P.	1,443,902	3,333,970	390,765	902,276	468,919	1,082,734	783,674	1,809,503	—	—
Affiliates of Vertex III (C.I.) Fund L.P.	585,672	1,352,317	158,502	365,981	190,202	439,176	317,870	733,962	—	—
Affiliates of Lightspeed Ventures Partners VII, LP	1,136,471	2,624,112	307,565	710,167	369,078	852,201	616,817	1,424,230	—	—
Affiliates of NWC SolarEdge Holdings, LLC	—	—	—	—	—	—	—	—	5,928,169	\$ 15,900,001
Affiliates of Norwest Venture Partners XI, L.P.	8,661,758	20,000,000	281,956	651,036	338,347	781,242	565,458	1,305,643	—	—

Material Rights of Preferred Stock

The following is a brief description of the material rights of each series of our preferred stock issued to holders of more than 5% of our capital stock and their affiliated entities. All outstanding shares of our preferred stock will convert into shares of our common stock immediately prior to the closing of this offering.

Dividends. The holders of Series E, D-3, D-2, D-1, D, C, B and A convertible preferred stock are entitled to receive dividends, if, when and as declared by the board of directors, in an amount per share equal to the following (in order of right of payment):

	Dividend per share
Series E	\$ 0.21457
Series D-3	0.184721
Series D-2	0.184721
Series D-1	0.184721
Series D	0.184721
Series C	0.125
Series B	0.09808
Series A	0.05913

No dividends have been declared on the Series E, D-3, D-2, D-1, D, C, B and A convertible preferred stock.

Conversion. The Series E, D-3, D-2, D-1, D, C, B and A convertible preferred stock will be automatically converted into common stock immediately prior to the closing of a firmly underwritten public offering pursuant to the Securities Act if aggregate gross proceeds to the Company in the offering equal or exceed \$30,000,000 and the public offering price is not less than (a) \$4.02317 per share if the offering occurs prior to December 31, 2015, (b) \$4.69369 per share if the offering occurs following December 31, 2015 but prior to December 31, 2016 and (c) \$5.36422 per share if the offering occurs following December 31, 2016. Each share of Series E, D-3, D-2, D-1, D, C, B and A convertible preferred stock will be converted into one share of common stock, subject to adjustment for certain subsequent issuances.

Liquidation rights. In the event of any liquidation, dissolution or winding-up, the Company is required to distribute to the holders of preferred stock, in descending order of priority and prior to any payments to any of the holders of any other classes of stock, a per share amount equal to \$2.68211 for Series E convertible preferred stock, \$2.309 for Series D-3, D-2, D-1 and D convertible preferred stock, \$1.564 for Series C convertible preferred stock, \$1.226 for Series B convertible preferred stock and \$0.73913 for Series A convertible preferred stock, plus interest accruing annually on a compounded basis at the rate of 5% on such respective amount from the date of issuance (except in the case of Series A), plus all declared but unpaid dividends on each such share of convertible preferred stock then held by the holder, less any dividends actually paid on such share.

Voting rights. Each holder of shares of preferred convertible stock is entitled to the number of votes equal to the number of shares of common stock into which such shares of preferred convertible stock could be converted and has voting rights and powers equal to the voting rights and powers of the common stock and entitled to notice of any stockholders meeting. Each holder of common stock is be entitled to one vote for each share of common stock held.

Protective Provisions. We cannot, without the consent of a majority of the then outstanding convertible preferred stock voting together as a single class on an as-converted basis, (i) change the rights, preferences, or privileges of the convertible preferred stock or any series of convertible preferred stock so as to materially and adversely affect the convertible preferred stock or any series of convertible preferred stock, (ii) authorize or issue any shares of a new class or series of capital stock (or rights to acquire such new class or series of capital stock) having rights, preferences or privileges senior or equivalent to the convertible preferred stock, (iii) increase or decrease the total number of authorized shares of convertible preferred stock, (iv) cause or effect a change of control,

liquidation, dissolution or winding up of the Company or (v) declare or pay any dividends or declare or make any other distribution, purchase, redemption or acquisition on any of our capital stock, except for certain permitted repurchases.

In addition, we cannot, change the rights, preferences, or privileges of any series of convertible preferred stock or increase or decrease the total number of shares of the applicable series of convertible preferred stock, without, as applicable, the consent of (i) at least a majority of the then outstanding Series E convertible preferred stock voting as a separate series (ii) at least a majority of the then outstanding shares of Series D-3, D-2, D-1 and D convertible preferred stock voting as a single class, (iii) at least 66% of the then outstanding shares of Series C convertible preferred stock voting as a separate, (iv) at least 70% of the then outstanding shares of Series B convertible preferred stock voting as a separate series and (v) at least 66% of the then outstanding shares of Series A convertible preferred stock voting as a separate series.

The rights of each series of our preferred stock, including those describe above, will terminate upon the conversion of all outstanding shares of convertible preferred stock immediately prior to the closing of this offering.

Investors' Rights Agreement

We entered into an investors' rights agreement with our founders and the holders of our convertible preferred stock, including the following principal stockholders and some of their affiliates:

ORR Partners I-S, L.P.
Opus Capital Venture Partners V, L.P.
Genesis Partners III L.P.
Pacven Walden Ventures VI, L.P.
Vertex III (C.I.) Fund L.P.
Norwest Venture Partners XI, L.P.
Lightspeed Venture Partners VIII LP
NWC SolarEdge Holdings, LLC

Pursuant to this agreement, we granted these stockholders certain registration rights with respect to certain shares of our common stock held or issuable upon conversion of the shares of preferred stock held by them. For a description of these registration rights, see "Description of Capital Stock — Registration Rights." The investors' rights agreement also provides for certain additional rights to receive financial information and rights of first refusal to participate in subsequent equity financings, which additional rights will terminate upon the completion of this offering.

Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and by-laws, each as expected to be in effect upon the completion of this offering, will provide that we shall indemnify each of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. For further information, see the section entitled "Description of Capital Stock — Indemnification and Limitations on Directors' Liability."

Review, Approval or Ratification of Transactions with Related Persons

The audit committee of our board of directors will have primary responsibility for reviewing and approving transactions with related parties. Our audit committee charter will provide that the audit committee shall review and approve in advance any related party transactions.

We will adopt, effective upon the consummation of this offering, a formal written policy providing that our executive officers, directors, nominees for election as directors, beneficial owners of more than 5% of any class of our voting stock, any member of the immediate family of any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is employed, is a general partner or principal or in a similar position, or in which such person has a 5% or greater beneficial ownership interest, is not permitted to enter into a related party transaction with us without the consent of our audit committee, subject to the exceptions described below. In approving or rejecting any such proposal, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. Our audit committee is expected to determine that certain transactions will not require audit committee approval, including certain employment arrangements of executive officers, director compensation, transactions with another company at which a related party's only relationship is as a non-executive employee or beneficial owner of less than 5% of that company's shares, transactions where a related party's interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis, and transactions available to all employees generally.

DESCRIPTION OF INDEBTEDNESS

Revolving Line of Credit

In June 2011, we entered into an agreement with SVB for a revolving line of credit, which, as amended to date, permits aggregate borrowings of up to \$20 million in an amount not to exceed 80% of the eligible accounts receivable plus 65% of inventories in transit to customers and bears interest, payable monthly, at SVB's prime rate plus a margin of 0.75% to 2.75%. The average interest rate on our outstanding borrowings for fiscal 2014 was 4.9%. The revolving line of credit will terminate, and outstanding borrowings will be payable, on July 4, 2015. As of December 31, 2014, the entire outstanding balance of the revolving line of credit had been repaid, and there were no amounts outstanding under the revolving line of credit.

In connection with the revolving line of credit, we granted SVB security interests in substantially all of our assets, including a first-priority security interest in our trade receivables, accounts, cash and cash equivalents (the "SVB Priority Collateral"). The agreement contains certain financial covenants requiring us to maintain EBITDA and liquidity at specified levels. Specifically, we are required to maintain EBITDA (defined as (a) non-GAAP net income, plus (b) interest expense, plus (c) to the extent deducted in the calculation of net income, depreciation expense and amortization expense, plus (d) income tax expense) of at least \$500,000 as of September 30, 2014 and December 31, 2014 and in an amount to be set by SVB in its reasonable discretion as of March 31, 2015 and June 30, 2015. In addition, we are required to maintain liquidity (defined as our unrestricted and unencumbered cash, plus availability under the revolving line of credit) of \$6,750,000. The revolving line of credit also contains covenants that restrict our ability to borrow money, grant liens, pay dividends, dispose of assets or engage in business combinations.

Term Loan

On December 28, 2012, we entered into a term loan agreement with Kreos, providing for a term loan of up to \$10 million, which was fully drawn on the closing date. The borrowings under the term loan were primarily used to finance working capital needs. On January 26, 2015, we repaid the entire outstanding balance under the term loan.

Interest on the term loan was payable monthly at a rate of 11.90% per year, compounded on a monthly basis. Principal was paid in 33 equal monthly installments from September 2013 through 2016, the last of which was prepaid in advance pursuant to the terms of the term loan. As of December 31, 2014, the term loan had an outstanding principal balance of \$4.7 million and no accrued interest outstanding. Payments of principal and interest on the term loan were in Euros.

In connection with the loan agreement, we granted Kreos 563,014 D-1 Warrants to purchase Series D-1 convertible preferred shares at an exercise price of \$2.309. The D-1 Warrants are exercisable in whole or in part prior to earliest of (i) December 28, 2022, (ii) 12 months after a qualified initial public offering or (iii) immediately prior to the consummation of a merger or sale of all or substantially all of the Company's assets. If the holder exercises all Series D-1 Warrants in full upon or, if applicable, after an event described in (ii) or (iii) and the fair market value (as defined in the Series D-1 Warrants) of the shares received upon exercise, less the exercise price, results in an amount lower than \$750,000, the Series D-1 Warrants require the Company to pay the difference to the holder. In addition, in October 2014 the Company issued to Kreos 745,682 Series E convertible preferred shares for consideration of \$2,000,000.

DESCRIPTION OF CAPITAL STOCK

General

We plan to amend and restate our certificate of incorporation (as amended and restated, our "Certificate of Incorporation") and our by-laws (as amended and restated, our "By-laws") in connection with the completion of this offering. Below is a summary of the material terms and provisions of our Certificate of Incorporation and our By-laws as expected to be in effect and affecting the rights of our stockholders upon the completion of this offering, as well as relevant provisions of Delaware law affecting the rights of our stockholders. This summary does not purport to be complete and is qualified in its entirety by the provisions of our Certificate of Incorporation, our By-laws and the Delaware General Corporation Law ("DGCL"). Copies of our Certificate of Incorporation and By-laws have been or will be filed with the SEC as exhibits to the registration statement of which this prospectus forms a part. References in this section to the "Company," "we," "us" and "our" refer to SolarEdge Technologies, Inc. and not to any of its subsidiaries.

Authorized Capital

Upon the completion of this offering, our authorized capital stock will consist of _____ shares of common stock, par value \$0.0001 per share and _____ shares of preferred stock, par value \$0.0001 per share.

As of _____, 2014, there were _____ shares of common stock outstanding, held by approximately _____ stockholders and _____ shares of preferred stock outstanding, held by approximately _____ stockholders. Assuming the conversion of the preferred stock owned by our existing stockholders into _____ shares of our common stock immediately upon effectiveness of our Certificate of Incorporation, there would have been _____ shares of common stock outstanding, held by approximately _____ stockholders and no shares of preferred stock outstanding.

Common Stock

Voting Rights. The holders of our common stock will be entitled to one vote per share on all matters submitted to a vote of stockholders; provided, however, that, except as otherwise required by law, holders of common stock, as such, shall not be entitled to vote on any amendment to our amended and Certificate of Incorporation that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our Certificate of Incorporation. Holders of our common stock will not have cumulative voting rights in the election of directors. Accordingly, the holders of a majority of the combined voting power of our common stock could, if they so choose, elect all the directors.

Dividend Rights. Holders common stock will be entitled to receive dividends if, as and when declared by our board of directors, out of our legally available assets, in cash, property, shares of our common stock or other securities, after payments of dividends required to be paid on outstanding preferred stock, if any.

The terms of our debt instruments impose restrictions on our ability to declare dividends on our common stock. See "Description of Indebtedness."

Distributions in Connection with Mergers or Other Business Combinations. Upon a merger, consolidation or substantially similar transaction, holders of each class of common stock will be entitled to receive equal per share payments or distributions.

Liquidation Rights. Upon our liquidation, dissolution or winding up, any business combination or a sale or disposition of all or substantially all of our assets, the assets legally available for distribution to our stockholders will be distributable ratably among the holders of the common stock, subject to prior satisfaction of all outstanding debts and other liabilities and the payment of liquidation preferences, if any, on any outstanding preferred stock.

Other Matters. Our Certificate of Incorporation will not entitle holders of our common stock to preemptive or conversion rights or other subscription rights. There will be no redemption or sinking fund provisions applicable to our common stock. The common stock may be subdivided or combined in any manner unless the other class is subdivided or combined in the same proportion. All outstanding shares of our common stock are, and the shares of common stock offered in this offering will be, fully paid and non-assessable.

Authorized but Unissued Preferred Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the NASDAQ Global Market, which would apply as long as our common stock is listed on the NASDAQ Global Market, require stockholder approval of certain issuances equal to or exceeding 20% of the combined voting power of our common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions and employee benefit plans.

Unless required by law or by any stock exchange on which our common stock may be listed, the authorized shares of preferred stock will be available for issuance without further action by our stockholders. Our Certificate of Incorporation will authorize our board of directors to establish, from time to time, the number of shares to be included in each series of preferred stock, and to fix the designation, powers, privileges, preferences, and relative participating, optional or other rights, if any, of the shares of each series of preferred stock, and any of its qualifications, limitations or restrictions. Our board of directors also will be able to increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series of preferred stock then outstanding, without any further vote or action by the stockholders, without any vote or action by stockholders.

The existence of unissued and unreserved common stock or preferred stock may enable our board of directors to issue shares to persons friendly to current management, which could render more difficult or discourage an attempt to obtain control of the Company by means of a merger, tender offer, proxy contest or otherwise, and could thereby protect the continuity of our management and possibly deprive stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Registration Rights

Upon the completion of this offering, certain holders of our common stock, or their transferees, will be entitled to the registration rights set forth below with respect to registration of the resale of such shares under the Securities Act pursuant to the terms of our outstanding warrants and an investors' rights agreement by and among us and certain of our stockholders.

Demand registration rights. Upon the completion of this offering, the holders of approximately _____ shares of our common stock will be entitled to certain demand registration rights. At any time after six months following completion of this offering, the holders of at least 30% of these shares have the right to demand that we file up to two registration statements with respect to offerings of common stock each having an aggregate offering price of at least \$10 million. We may postpone the filing of a registration statement for up to 90 days if we determine that the filing would be seriously detrimental to us and our stockholders, and the underwriters of an underwritten

offering will have the right, subject to certain restrictions, to limit the number of shares registered by these holders for reasons relating to the marketing of the shares.

Piggyback registration rights. If we propose to register any of our securities for public sale, the holders of approximately _____ shares of our common stock will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration. However, this right does not apply to a registration relating to any of our employee benefit plans, the exchange of securities in certain corporate reorganizations or certain other transactions or the issuance of common stock upon conversion of debt securities, the offer and sale of which are also being registered. The underwriters of any underwritten offering will have the right to limit the number of shares registered by these holders for reasons relating to the marketing of the shares, but not below 25% of the total number of shares included in the registration statement.

Form S-3 registration rights. Upon the completion of this offering, the holders of approximately _____ shares of our common stock will be entitled to certain Form S-3 registration rights. At any time after we are eligible to file a registration statement on Form S-3, holders of these shares have the right to request that we effect a registration on Form S-3 if the proposed aggregate offering price of the shares to be registered by the holders requesting registration is at least \$2 million. We will not be required to effect such a registration if we have effected one such registration within the 12-month period preceding a request and we may postpone the filing of a registration statement on Form S-3 for up to 90 days if we determine that the filing would be seriously detrimental to us and our stockholders. The underwriters of any underwritten offering will have the right, subject to certain restrictions, to limit the number of shares registered by these holders for reasons relating to the marketing of the shares.

Registration expenses. We will pay all expenses incurred by holders of shares registered in connection with up to two demand registrations and all piggyback and Form S-3 registrations, except, in each case, for fees and expenses of legal counsel in excess of \$35,000, underwriting discounts, selling commissions and transfer taxes. However, subject to limited exceptions, we will not pay for any expenses of any demand registration if the request is subsequently withdrawn by the holders or if the net proceeds requirement of a demand registration is not met.

Expiration of registration rights. The registration rights described above will expire five years after the completion of this offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act or a similar exemption in any three-month period and such stockholder owns less than 1% of the Company's common stock.

Holders of substantially all of our shares with these registration rights have signed agreements with the underwriters or us prohibiting the exercise of their registration rights for 180 days following the date of this prospectus. These agreements are described below under the section entitled "Underwriters."

Indemnification and Limitations on Directors' Liability

Section 145 of the DGCL grants each Delaware corporation the power to indemnify any person who is or was a director, officer, employee or agent of a corporation, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of serving or having served in any such capacity, if he or she acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause

to believe his or her conduct was unlawful. A Delaware corporation may similarly indemnify any such person in actions by or in the right of the corporation if he or she acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which the action was brought determines that, despite adjudication of liability, but in view of all of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses which the Delaware Court of Chancery or other court shall deem proper.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation, or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the director's fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for director liability with respect to unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our Certificate of Incorporation will provide for such limitation of liability.

Our Certificate of Incorporation and By-laws will indemnify our directors and officers to the full extent permitted by the DGCL and our Certificate of Incorporation also allows our board of directors to indemnify other employees. This indemnification will extend to the payment of judgments in actions against officers and directors and to reimbursement of amounts paid in settlement of such claims or actions and may apply to judgments in favor of the corporation or amounts paid in settlement to the corporation. This indemnification will also extend to the payment of attorneys' fees and expenses of officers and directors in suits against them where the officer or director acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. This right of indemnification is not exclusive of any right to which the officer or director may be entitled as a matter of law and shall extend and apply to the estates of deceased officers and directors.

We maintain a directors' and officers' insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions that are normal and customary for policies of this type.

We believe that the limitation of liability and indemnification provisions in our Certificate of Incorporation, By-laws and insurance policies are necessary to attract and retain qualified directors and officers. However, these provisions may discourage derivative litigation against directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers as required or allowed by these limitation of liability and indemnification provisions.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents as to which indemnification is sought from us, nor are we aware of any threatened litigation or proceeding that may result in an indemnification claim.

Anti-Takeover Effects of Delaware Law, Our Certificate of Incorporation and Our By-laws

Certain provisions of Delaware law, our Certificate of Incorporation and our By-laws that will be effective upon consummation of the offering could make the acquisition of the Company more difficult and could delay, defer or prevent a tender offer or other takeover attempt that a stockholder might consider to be in its best interest, including takeover attempts that might result in the payment of a premium to stockholders over the market price for their shares. These provisions also may promote the continuity of our management by making it more difficult for a person to remove or change the incumbent members of our board of directors.

Authorized but Unissued Shares; Undesignated Preferred Stock. The authorized but unissued shares of our common stock will be available for future issuance without stockholder approval except as required by law or by any stock exchange on which our common stock may be listed. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions and employee benefit plans. In addition, our board of directors may authorize, without stockholder approval, the issuance of undesignated preferred stock with voting rights or other rights or preferences designated from time to time by our board of directors. The existence of authorized but unissued shares of common stock or preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

Board Classification. Our Certificate of Incorporation will provide that our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our Certificate of Incorporation and By-laws will provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by our board of directors.

No Cumulative Voting. Our Certificate of Incorporation will provide that stockholders are not permitted to cumulate votes in the election of directors.

Special Meetings of Stockholders. Our By-laws will provide that special meetings of our stockholders may be called only by our Chairman, our Chief Executive Officer, our board of directors or our Secretary at the request of holders of not less than a majority of the combined voting power of our common stock.

Stockholder Action by Written Consent. Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our Certificate of Incorporation will preclude stockholder action by written consent.

Advance Notice Requirements for Stockholder Proposals and Nomination of Directors. Our By-laws will require stockholders seeking to bring business before an annual meeting of stockholders, or to nominate individuals for election as directors at an annual or special meeting of stockholders, to provide timely notice in writing. To be timely, a stockholder's notice will need to be sent to and received at our principal executive offices no later than the close of business on the

90th day, nor earlier than the close of business on the 120th day, prior to the anniversary of the immediately preceding annual meeting of stockholders. However, in the event that the annual meeting is called for a date that is not within 30 days before or 70 days after the anniversary of the immediately preceding annual meeting of stockholders, such notice will be timely only if received no earlier than the close of business on the 120th day prior to the annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting and the tenth day following the date on which a public announcement of the date of the annual meeting was made by us. Our By-laws also will specify requirements as to the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders. These provisions may also discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the potential acquiror's own slate of directors or otherwise attempting to obtain control of the Company.

Removal of Directors; Vacancies. Under the DGCL, unless otherwise provided in our Certificate of Incorporation, directors serving on a classified board may be removed by the stockholders only for cause. Our Certificate of Incorporation will provide that directors may only be removed for cause, and only by the affirmative vote of holders of at least 66²/₃% in voting power of all the then-outstanding shares of common stock of the Company entitled to vote thereon, voting together as a single class. In addition, our Certificate of Incorporation also will provide that any newly created directorship on our board of directors that results from an increase in the number of directors and any vacancy occurring in our board of directors may only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the stockholders).

Supermajority Provisions. Our Certificate of Incorporation and By-laws will provide that our board of directors is expressly authorized to alter, amend, rescind or repeal, in whole or in part, our By-laws without a stockholder vote in any matter not inconsistent with Delaware law and our Certificate of Incorporation. Any amendment, alteration, rescission or repeal of our By-laws by our stockholders will require the affirmative vote of the holders of at least 66²/₃% in voting power of all the then-outstanding shares of stock of our Company entitled to vote thereon, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage. Our Certificate of Incorporation will provide that the following provisions in our Certificate of Incorporation may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66²/₃% in voting power of all the then-outstanding shares of stock of our Company entitled to vote thereon, voting together as a single class:

- the provision requiring a 66²/₃% supermajority vote for stockholders to amend our By-laws;
- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding removal of directors;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;
- the provisions regarding advanced notification of stockholder nominations and proposals;
- the provisions regarding filling vacancies on our board of directors and newly created directorships;

- the provisions eliminating monetary damages for breaches of fiduciary duty by a director and governing forum selection; and
- the amendment provision requiring that the above provisions be amended only with a 66²/₃% supermajority vote.

Section 203 of the Delaware General Corporation Law. We are subject to Section 203 of the DGCL, which provides that, subject to certain stated exceptions, a corporation may not engage in a business combination with any "interested stockholder" (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer;
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent; or
- by the affirmative vote of 66²/₃% of the outstanding voting stock which is not owned by the interested stockholder.

An "interested stockholder" is any person (other than the corporation and any direct or indirect majority-owned subsidiary) who owns 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date of determination, and the affiliates and associates of such person.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be .

Listing

We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "SEDG."

SHARES AVAILABLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock. Future sales of shares of our common stock in the public market after this offering, and the availability of shares for future sale, could adversely affect the market prices prevailing from time to time. As described below, only a limited number of shares of common stock will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nonetheless, sales of substantial amounts of our common stock in the future, or the perception that these sales could occur, could adversely affect prevailing market prices for our common stock and could impair our future ability to raise equity capital.

Immediately prior to the closing of this offering, all outstanding shares of preferred stock will be converted into _____ shares of common stock, the outstanding warrants to purchase 563,014 shares of preferred stock will be converted into warrants to purchase _____ shares of common stock, and upon the closing of this offering, a total of _____ shares of common stock will be outstanding (assuming the underwriters do not exercise their option to purchase additional shares). Of these shares, _____ shares of common stock sold in this offering, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as that term is defined under Rule 144. Restricted securities may be sold in the public market only if their offer and sale is registered under the Securities Act or if the offer and sale of those securities qualify for an exemption from registration, including exemptions provided by Rules 144 and 701 under the Securities Act, which are summarized below.

As a result of the lock-up agreements and market stand-off provisions described below and the provisions of Rules 144 or 701, and assuming no exercise of the underwriters' option to purchase additional shares, the shares of our common stock that will be deemed "restricted securities" will be available for sale in the public market following the completion of this offering as follows:

<u>Date</u>	<u>Number of Shares</u>
On the date of this prospectus (consisting of the shares sold in this offering)	
Beginning 180 days after the date of this prospectus	

Rule 144

In general, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (1) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale, (2) we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale and (3) we are current in our Exchange Act reporting at the time of sale.

Persons who have beneficially owned restricted shares of our common stock for at least six months, but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within

any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately _____ shares immediately after the completion of this offering based on _____ shares of common stock outstanding as of _____, 2015; and
- the average weekly trading volume of our common stock on the NASDAQ Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Such sales by affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Rule 701

In general, under Rule 701 a person who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been one of our affiliates during the immediately preceding 90 days may sell these shares in reliance upon Rule 144, but without being required to comply with the notice, manner of sale, public information requirements or volume limitation provisions of Rule 144. Rule 701 also permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701. As of January 31, 2015, options exercisable for 13,084,000 shares of our outstanding common stock had been issued in reliance on Rule 701. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Registration Statement on Form S-8

We intend to file a registration statement on Form S-8, which will become effective immediately upon filing, under the Securities Act to register all of the shares of common stock issuable under our outstanding options or reserved for issuance under our compensatory stock plans. Shares covered by the Form S-8 will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates. A total of _____ shares of our common stock that are deemed "restricted securities" will not be subject to the lock-up agreements and market stand-off provisions described below.

Lock-up Agreements

We and all of our directors and officers, as well as the other holders of substantially all shares of our common stock outstanding immediately prior to the completion of this offering, have agreed with the underwriters that, for a period of 180 days following the date of this prospectus, subject to certain exceptions, we and they will not, directly or indirectly, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of or hedge any of our shares of common stock, or any options or warrants to purchase any shares of our common stock, or any securities convertible into, or exchangeable for or that represent the right to receive shares of our common stock. The representatives of the underwriters, in their sole discretion, may at any time release all or any portion of the shares from the restrictions in such agreements.

The lock-up agreements do not contain any pre-established conditions to the waiver by the representatives of the underwriters on behalf of the underwriters of any terms of the lock-up

agreements. Any determination to release shares subject to the lock-up agreements would be based on a number of factors at the time of determination, including but not necessarily limited to the market price of the common stock, the liquidity of the trading market for the common stock, general market conditions, the number of shares proposed to be sold and the timing, purpose and terms of the proposed sale.

Market Stand-Off Provisions

Our investors' rights agreement with our founders and holders of our convertible preferred stock contains a market stand-off provision prohibiting our founders and these stockholders from directly or indirectly selling, offering to sell, contracting to sell, granting any option to purchase or otherwise transferring or disposing of any Company securities for a period of up to 180 days following the effective date of the registration statement relating to this offering, subject to certain conditions.

Registration Rights

Upon the completion of this offering, the holders of an aggregate of _____ shares of our common stock and _____ shares of common stock issuable upon the exercise of outstanding warrants, based on shares of common stock and warrants outstanding as of _____, or their transferees, will be entitled to rights with respect to the registration of their shares of common stock under the Securities Act. Registration of these shares under the Securities Act will result in these shares becoming freely tradable immediately upon the effectiveness of such registration, subject to the restrictions of Rule 144. For a further description of these rights, see the section entitled "Description of Capital Stock — Registration Rights."

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of the material U.S. federal income tax considerations with respect to your purchase, ownership and disposition of shares of our common stock issued pursuant to this offering and applies if you are a non-U.S. holder (as defined below) that purchases our common stock in this offering. You should consult your own tax advisors with respect to the U.S. federal, state, local and non-U.S. income and other tax consequences of the purchase, ownership and disposition of our common stock. In general, a non-U.S. holder means a beneficial owner of our common stock (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that, for U.S. federal income tax purposes, is not:

- an individual citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all of the trust's substantial decisions or (2) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed U.S. Treasury Regulations promulgated thereunder, published administrative rulings and judicial decisions, all as in effect as of the date of this prospectus. These laws are subject to change and to differing interpretation, possibly with retroactive effect. Any change or differing interpretation could alter the tax consequences described in this prospectus.

We assume in this discussion that you hold shares of our common stock as capital assets within the meaning of Section 1221 of the Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your individual circumstances, nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not address the special tax rules applicable to particular non-U.S. holders, such as tax-exempt organizations, financial institutions, brokers or dealers in securities, insurance companies, persons that hold our common stock as part of a hedging or conversion transaction or as part of a short-sale or straddle, controlled foreign corporations, passive foreign investment companies, companies that accumulate earnings to avoid U.S. federal income tax, and certain U.S. expatriates.

If a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner or partnership holding our common stock, you should consult your own tax advisor regarding the tax consequences of the purchase, ownership and disposition of our common stock.

There can be no assurance that the Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, an opinion of counsel with respect to the U.S. federal income tax consequences of the purchase, ownership or disposition of our common stock.

Distributions on Our Common Stock

Distributions, if any, on our common stock will generally constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and

accumulated earnings and profits, the excess will be treated first as reducing your adjusted basis in your shares of common stock, and, to the extent it exceeds such adjusted basis, as capital gain from the sale or exchange of such common stock

Dividends paid to you will generally be subject to withholding of U.S. federal income tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence.

Dividends that are treated as effectively connected with your conduct of a trade or business within the United States and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by you within the United States, are generally exempt from the 30% withholding tax if you satisfy applicable certification and disclosure requirements. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons. If you are a corporation, U.S. effectively connected income may also be subject to an additional "branch profits tax" at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and your country of residence.

If you claim the benefit of an applicable income tax treaty between the United States and your country of residence, you will generally be required to provide a properly executed IRS Form W-8BEN (or other applicable form). You are urged to consult your tax advisor regarding your entitlement to benefits under a relevant income tax treaty.

If you are eligible for a reduced rate of U.S. withholding tax under an income tax treaty, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

You will generally not be subject to U.S. federal income tax or withholding tax (subject to the discussion on the Foreign Accounts Tax Compliance Act ("FATCA") below) on any gain realized upon your sale, exchange or other taxable disposition of shares of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business and, if an applicable income tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by you, in which case, you will generally be taxed on a net income basis at the graduated U.S. federal income tax rates applicable to U.S. persons and, if you are a foreign corporation, the branch profits tax described above in "Distributions on Our Common Stock" may also apply;
- you are an individual that is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case, you will generally be subject to a 30% tax on the net gain derived from the disposition, which may be offset by U.S. source capital losses realized during the same taxable year, if any; or
- we are, or have been, at any time during the five-year period preceding such disposition (or your holding period, if shorter) a "U.S. real property holding corporation" for U.S. federal income tax purposes, unless (1) our common stock is regularly traded on an established securities market and (2) you hold no more than 5% of our outstanding common stock, directly or indirectly, actually or constructively. Although there can be no assurance, we do not believe that we currently are, or have been, a U.S. real property holding corporation, or that we are likely to become one in the future.

Foreign Accounts Tax Compliance Act

Under the provisions of the Code referred to as FATCA, U.S. withholding tax may also apply to certain types of payments made to "foreign financial institutions," as specially defined under such rules, and certain other non-U.S. entities. The legislation imposes a 30% withholding tax on dividends on, and, after December 31, 2016, gross proceeds from the sale or other disposition of, our common stock paid to a foreign financial institution or to a foreign non-financial entity, unless (1) the foreign financial institution undertakes certain diligence and reporting obligations or (2) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner. In addition, if the payee is a foreign financial institution, it must enter into an agreement with the U.S. Treasury or, in the case of a foreign financial institution in a jurisdiction that has entered into an intergovernmental agreement with the United States, complies with the requirements of such agreement. You should consult your tax advisor regarding FATCA.

Backup Withholding and Information Reporting

We must report annually to the IRS and to you the gross amount of the dividends on our common stock paid to you and the tax withheld, if any, with respect to such dividends. You will have to comply with specific certification procedures to establish that you are not a U.S. person, as defined for U.S. federal income tax purposes, in order to avoid backup withholding at the applicable rate with respect to dividends on our common stock and certain other types of payments.

Information reporting and backup withholding will generally apply to the proceeds of your disposition of our common stock effected by or through the U.S. office of any broker, U.S. or foreign, unless you certify your status as a non-U.S. holder and satisfy certain other requirements, or otherwise establish an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to you where the transaction is effected outside the United States through a non-U.S. office of a broker. However, dispositions effected through a non-U.S. office of a broker deriving more than a specified percentage of its income from U.S. sources or having certain other connections to the United States will generally be subject to information reporting, unless you certify your status as a non-U.S. holder and satisfy certain other requirements, or otherwise establish an exemption. You should consult your own tax advisors regarding the application of the information reporting and backup withholding rules to you.

Copies of information returns may be made available to the tax authorities of the country in which you reside or are incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to you may be allowed as a credit against your U.S. federal income tax liability, if any, and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

UNDERWRITING

We and the underwriters named below will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Deutsche Bank Securities Inc. are the representatives of the underwriters.

Underwriters	Number of Shares of Common Stock
Goldman, Sachs & Co.	
Deutsche Bank Securities Inc.	
Needham & Company, LLC	
Canaccord Genuity Inc.	
Roth Capital Partners LLC	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional _____ shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above. The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase _____ additional shares.

Per Share	<u>No Exercise</u>	<u>Full Exercise</u>
Total	\$	\$

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ _____.

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ _____ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does

not apply to any existing employee benefit plans. See "Shares Available for Future Sale" for a discussion of certain transfer restrictions.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to list our common stock on the NASDAQ Global Market under the symbol "SEDG."

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NASDAQ Global Market, in the over-the-counter market or otherwise.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the

underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no offer of shares may be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant portion of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require us or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, investors listed in the first addendum (the "Addendum") to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters purchasing for their own account, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals", each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors may be required to submit written confirmation that they fall within the scope of the Addendum.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial

Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

United Arab Emirates

This offering has not been approved or licensed by the Central Bank of the United Arab Emirates ("UAE"), Securities and Commodities Authority of the UAE and/or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority ("DFSA"), a regulatory authority of the Dubai

International Financial Centre ("DIFC"). The offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No 8 of 1984 (as amended), DFSA Offered Securities Rules and NASDAQ Dubai Listing Rules, accordingly, or otherwise. The shares may not be offered to the public in the UAE and/or any of the free zones.

The shares may be offered and issued only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned.

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Gibson, Dunn & Crutcher LLP, New York, New York. O'Melveny & Myers LLP, New York, New York is acting as counsel to the underwriters.

EXPERTS

The consolidated financial statements of SolarEdge Technologies, Inc. and its subsidiaries at June 30, 2013 and June 30, 2014, and for each of the three years ended June 30, 2014, appearing in this prospectus and registration statement have been audited by Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global Limited, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The offices of Kost Forer Gabbay and Kasierer are located at 3 Aminadav St., Tel Aviv, 6706703 Israel.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or document referred to are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

You may read and copy the registration statement, including the exhibits and schedules thereto, at the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov. As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's Public Reference Room and the website of the SEC referred to above. We also maintain a website at www.solaredge.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

SOLAREEDGE TECHNOLOGIES, INC.

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of June 30, 2013 and 2014 (audited) and December 31, 2014 (unaudited)	F-3
Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended June 30, 2012, 2013 and 2014 (audited) and for the six months ended December 31, 2013 and 2014 (unaudited)	F-5
Statements of Changes in Stockholders' Deficiency for the years ended June 30, 2012, 2013 and 2014 (audited) and for the six months ended December 31, 2013 and 2014 (unaudited)	F-6
Consolidated Statements of Cash Flows for the years ended June 30, 2012, 2013 and 2014 (audited) and for the six months ended December 31, 2013 and 2014 (unaudited)	F-8
Notes to Consolidated Financial Statements	F-9



Kost Forer Gabbay & Kasierer
3 Aminadav St.
Tel-Aviv 6706703, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

SOLAREEDGE TECHNOLOGIES, INC.

We have audited the accompanying consolidated balance sheets of SolarEdge Technologies, Inc. (the "Company") and its subsidiaries as of June 30, 2013 and 2014, and the related consolidated statements of operations and comprehensive loss, changes in stockholders' deficiency and cash flows for each of the three years ended June 30, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2013 and 2014, and the consolidated results of their operations and their cash flows for each of the three years ended June 30, 2014, in conformity with U.S. generally accepted accounting principles.

Tel-Aviv, Israel
November 5, 2014
Except for Note 16 to which the
date is February 6, 2015

/s/ Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

SOLAREEDGE TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			<u>Unaudited</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 13,142	\$ 9,754	\$ 23,774
Restricted cash	1,446	1,602	3,409
Trade receivables, net	9,257	19,267	25,099
Prepaid expenses and other accounts receivable	5,543	13,151	23,828
Inventories	14,785	25,499	47,619
<i>Total</i> current assets	<u>44,173</u>	<u>69,273</u>	<u>123,729</u>
PROPERTY AND EQUIPMENT, NET	<u>4,339</u>	<u>5,351</u>	<u>7,357</u>
LONG-TERM LEASE DEPOSIT AND PREPAID EXPENSES	<u>548</u>	<u>367</u>	<u>366</u>
LONG-TERM DEFERRED CHARGES	<u>26</u>	<u>7</u>	<u>1</u>
DEFERRED ISSUANCE COSTS	<u>—</u>	<u>—</u>	<u>1,834</u>
<i>Total</i> assets	<u>\$ 49,086</u>	<u>\$ 74,998</u>	<u>\$ 133,287</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREDGE TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands (except share and per share data)

	<u>June 30,</u>		<u>December 31,</u>	<u>Proforma</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>	<u>Stockholders'</u>
			<u>Unaudited</u>	<u>equity as of</u>
				<u>December 31,</u>
				<u>2014</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)				
CURRENT LIABILITIES:				
Short term bank loan	\$ 3,916	\$ 13,326	\$ —	
Current maturities of term loan	2,296	3,474	3,372	
Trade payables	16,468	36,815	43,570	
Employees and payroll accruals	3,419	5,210	5,542	
Warranty obligations	2,959	5,496	6,652	
Deferred revenues	3,584	1,729	1,652	
Accrued expenses and other accounts payable	8,172	6,893	34,289	
<i>Total current liabilities</i>	<u>40,814</u>	<u>72,943</u>	<u>95,077</u>	<u>95,077</u>
LONG-TERM LIABILITIES				
Warranty obligations	7,419	12,685	17,645	
Deferred revenues	2,895	4,252	6,017	
Warrants to purchase convertible preferred stock	818	765	1,030	
Term loan	6,611	3,444	1,306	
<i>Total long-term liabilities</i>	<u>17,743</u>	<u>21,146</u>	<u>25,998</u>	<u>25,998</u>
COMMITMENTS AND CONTINGENT LIABILITIES				
Convertible Preferred Series A, B, C, D, D-1, D-2, D-3 and E stock of \$0.0001 par value — authorized: 71,677,932 and 80,772,775 shares as of June 30, 2013 and 2014 and 90,093,796 at December 31, 2014 (unaudited), respectively; issued and outstanding: 68,493,373 and 75,422,773 shares as of June 30, 2013 and 2014 and 84,743,792 at December 31, 2014 (unaudited), respectively. Aggregate liquidation preferences of \$113,218 and \$134,656 as of June 30, 2013 and 2014 and \$163,068 at December 31, 2014 (unaudited), respectively. 0 shares issued and outstanding pro forma (unaudited) at December 31, 2014.	105,543	116,203	140,915	—
STOCKHOLDERS' EQUITY (DEFICIENCY):				
Share capital				
Common stock of \$0.0001 par value — Authorized: 98,322,068 and 104,818,383 shares as of June 30, 2013 and 2014 and 125,000,000 at December 31, 2014 (unaudited), respectively; issued and outstanding: 8,347,498 and 8,429,885 shares as of June 30, 2013 and 2014 and 8,451,396 at December 31, 2014 (unaudited), respectively. 93,195,188 shares issued and outstanding pro forma (unaudited) at December 31, 2014.	1	1	1	9
Additional paid-in capital	4,744	5,877	6,673	147,580
Accumulated other comprehensive loss	(26)	(61)	(161)	(161)
Accumulated deficit	(119,733)	(141,111)	(135,216)	(135,216)
<i>Total stockholders' equity (deficiency)</i>	<u>(115,014)</u>	<u>(135,294)</u>	<u>(128,703)</u>	<u>12,212</u>
<i>Total liabilities and stockholders' equity (deficiency)</i>	<u>\$ 49,086</u>	<u>\$ 74,998</u>	<u>\$ 133,287</u>	<u>\$ 133,287</u>

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREDGE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

U.S. dollars in thousands (except share and per share data)

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
				Unaudited	
Revenues	\$ 75,351	\$ 79,035	\$ 133,217	\$ 58,084	\$ 140,259
Cost of revenues	76,028	74,626	111,246	51,066	110,448
Gross profit (loss)	(677)	4,409	21,971	7,018	29,811
Operating expenses:					
Research and development, net	13,783	15,823	18,256	8,822	9,827
Sales and marketing	9,926	12,784	17,792	7,780	11,119
General and administrative	3,074	3,262	4,294	1,802	2,280
<i>Total</i> operating expenses	26,783	31,869	40,342	18,404	23,226
Operating income (loss)	(27,460)	(27,460)	(18,371)	(11,386)	6,585
Financial income (expenses), net (Note 14)	(287)	(612)	(2,787)	(1,691)	58
Income (loss) before taxes on income	(27,747)	(28,072)	(21,158)	(13,077)	6,643
Taxes on income (Note 13)	36	108	220	21	748
Net income (loss)	\$ (27,783)	\$ (28,180)	\$ (21,378)	\$ (13,098)	\$ 5,895
Net loss per share of common stock, basic and diluted	\$ (3.43)	\$ (3.43)	\$ (2.55)	\$ (1.56)	\$ —
Weighted average number of shares used in computing net loss per share of common stock, basic and diluted	8,094,279	8,224,112	8,396,685	8,370,221	8,442,567
Pro forma basic earnings per ordinary share (unaudited)					\$ 0.07
Pro forma diluted earnings per ordinary share (unaudited)					\$ 0.06
Pro forma weighted average number of shares used in computing basic earnings per share of common stock					89,109,426
Pro forma weighted average number of shares used in computing diluted earnings per share of common stock					94,925,230
Other comprehensive income (loss)					
Change in comprehensive income (loss) related to foreign currency translation adjustments	29	(32)	(35)	32	(100)
Total comprehensive income (loss)	\$ (27,754)	\$ (28,212)	\$ (21,413)	\$ (13,066)	\$ 5,795

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

U.S. dollars in thousands (except share data)

	Convertible Preferred stock		Receipt on account of Convertible Preferred stock	Common stock		Additional paid in Capital	Accumulated other comprehensive Income (loss)	Accumulated deficit	Total stockholders' deficiency
	Number	Amount		Number	Amount				
Balance as of July 1, 2011	50,303,681	\$ 58,358	—	8,058,389	\$ 1	2,673	\$ (23)	(63,770)	\$ (61,119)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	96,774	—*	41	—	—	41
Issuance of Series D Convertible Preferred stock, net of issuance expenses in the amount of \$124	16,024,251	36,876	—	—	—	—	—	—	—
Equity based compensation expenses to employees and non-employees	—	—	—	—	—	842	—	—	842
Change in comprehensive income related to foreign currency translation adjustments	—	—	—	—	—	—	29	—	29
Net loss	—	—	—	—	—	—	—	(27,783)	(27,783)
Balance as of June 30, 2012	66,327,932	\$ 95,234	—	8,155,163	1	3,556	6	(91,553)	(87,990)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	192,335	—*	110	—	—	110
Issuance of Series D-1 Convertible Preferred stock, net of issuance expenses in the amount of \$5	2,165,441	4,995	—	—	—	—	—	—	—
Receipts on account of convertible preferred stock	—	—	5,314	—	—	—	—	—	—
Equity based compensation expenses to employees and non-employees	—	—	—	—	—	1,078	—	—	1,078
Change in comprehensive loss related to foreign currency translation adjustments	—	—	—	—	—	—	(32)	—	(32)
Net loss	—	—	—	—	—	—	—	(28,180)	(28,180)
Balance as of June 30, 2013	68,493,373	\$100,229	5,314	8,347,498	1	4,744	(26)	(119,733)	(115,014)

* Represents an amount less than \$1.

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREEDGE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY (Continued)

U.S. dollars in thousands (except share data)

	Convertible Preferred stock		Receipt on account of Convertible Preferred stock	Common stock		Additional paid in Capital	Accumulated Other comprehensive Income (loss)	Accumulated deficit	Total stockholders' deficiency
	Number	Amount		Number	Amount				
Balance as of June 30, 2013	68,493,373	\$ 100,229	\$ 5,314	8,347,498	\$ 1	\$ 4,744	\$ (26)	\$ (119,733)	\$ (115,014)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	82,387	—*	51	—	—	51
Issuance of Series D-2 Convertible Preferred stock, net of issuance expenses in the amount of \$17	2,598,528	5,983	(5,314)	—	—	—	—	—	—
Issuance of Series D-3 Convertible Preferred stock, net of issuance expenses in the amount of \$9	4,330,872	9,991	—	—	—	—	—	—	—
Equity based compensation expenses to employees and non-employees	—	—	—	—	—	1,082	—	—	1,082
Change in comprehensive loss related to foreign currency translation adjustments	—	—	—	—	—	—	(35)	—	(35)
Net loss	—	—	—	—	—	—	(35)	(21,378)	(21,378)
Balance as of June 30, 2014	75,422,773	\$ 116,203	\$ —	8,429,885	\$ 1	\$ 5,877	\$ (61)	\$ (141,111)	\$ (135,294)
Issuance of Common Stock upon exercise of employee stock options (unaudited)	—	—	—	21,511	—*	16	—	—	16
Issuance of Series E Convertible Preferred stock, net of issuance expenses in the amount of \$288 (unaudited)	9,321,019	24,712	—	—	—	—	—	—	—
Equity based compensation expenses to employees and non-employees (unaudited)	—	—	—	—	—	780	—	—	780
Change in comprehensive loss related to foreign currency translation adjustments (unaudited)	—	—	—	—	—	—	(100)	—	(100)
Net income (unaudited)	—	—	—	—	—	—	—	5,895	5,895
Balance as of December 31, 2014 (unaudited)	84,743,792	\$ 140,915	\$ —	8,451,396	\$ 1	\$ 6,673	\$ (161)	\$ (135,216)	\$ (128,703)

* Represents an amount less than \$1.

The accompanying notes are an integral part of the consolidated financial statements.



SOLAREGE TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
				Unaudited	
<i>Cash flows from operating activities:</i>					
Net income (loss)	\$ (27,783)	\$ (28,180)	\$ (21,378)	\$ (13,098)	\$ 5,895
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,283	1,842	1,978	955	1,103
Interest expenses related to short term bank loan	15	6	44	28	—
Stock-based compensation related to employee stock options	842	1,078	1,082	513	780
Financial expenses, net related to term loan	—	768	431	492	(656)
Remeasurement of warrants to purchase convertible preferred stock	—	40	(53)	(37)	265
Changes in assets and liabilities:					
Inventories	(9,433)	(1,161)	(10,681)	(5,256)	(22,128)
Prepaid expenses and other accounts receivable	(6,134)	3,776	(7,409)	(3,025)	(10,671)
Trade receivables, net	(3,930)	(1,040)	(9,911)	(3,855)	(5,919)
Trade payables	15,419	(9,628)	20,334	12,696	6,047
Employees and payroll accruals	672	307	1,726	349	361
Warranty obligations	3,649	3,866	7,803	5,235	6,116
Deferred revenues	2,179	1,934	(500)	(973)	1,694
Accrued expenses and other accounts payable	883	3,285	(1,311)	(1,977)	26,522
Net cash provided by (used in) operating activities	(22,338)	(23,107)	(17,845)	(7,953)	9,409
<i>Cash flows from investing activities:</i>					
Purchase of property and equipment	(4,013)	(1,539)	(2,990)	(1,453)	(3,133)
Decrease (increase) in restricted cash	1,953	(1,085)	(156)	(19)	(1,807)
Increase (decrease) in long-term lease deposit	(118)	(154)	(1)	16	(31)
Net cash used in investing activities	(2,178)	(2,778)	(3,147)	(1,456)	(4,971)
<i>Cash flows from financing activities:</i>					
Proceeds from short term bank loan	5,700	17,880	21,813	14,000	6,000
Repayment of short term bank loan	(2,200)	(17,485)	(12,447)	(7,899)	(19,326)
Proceeds from term loan (net of \$100 transaction fee)	—	9,900	—	—	—
Repayments of term loan	—	(969)	(2,401)	(870)	(1,578)
Deferred charges related to term loan	—	(69)	—	—	—
Proceeds from issuance of Series D Convertible Preferred stock, net	36,876	—	—	—	—
Proceeds from issuance of Series D-1 Convertible Preferred stock, net	—	4,995	—	—	—
Proceeds from issuance of Series D-2 Convertible Preferred stock, net	—	—	669	669	—
Proceeds from issuance of Series D-3 Convertible Preferred stock, net	—	—	9,991	—	—
Proceeds from issuance of Series E Convertible Preferred stock, net	—	—	—	—	24,837
Issuance costs	—	—	—	—	(292)
Receipts on account of Convertible Preferred stock	—	5,314	—	—	—
Proceeds from exercise of employee stock options	41	110	51	37	16
Net cash provided by financing activities	40,417	19,676	17,676	5,937	9,657
Increase (decrease) in cash and cash equivalents	15,901	(6,209)	(3,316)	(3,472)	14,095
Cash and cash equivalents at the beginning of the period	3,493	19,437	13,142	13,142	9,754
Cash (erosion) due to exchange rate differences	43	(86)	(72)	(72)	(75)
Cash and cash equivalents at the end of the period	\$ 19,437	\$ 13,142	\$ 9,754	\$ 9,598	\$ 23,774
<i>Supplemental disclosure of non-cash financing activities:</i>					
Deferred issuance costs related to IPO	\$ —	\$ —	\$ —	\$ —	\$ 1,542
Issuance expenses not paid in cash	\$ —	\$ —	\$ —	\$ —	\$ 125
<i>Supplemental disclosure of cash flow information:</i>					
Cash paid for interest	\$ 44	\$ 1,065	\$ 1,085	\$ 685	\$ 822
Cash paid for income taxes	\$ —	\$ 8	\$ 92	\$ 42	\$ 460

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1: — GENERAL

a. SolarEdge Technologies, Inc. (the "Company") and its subsidiaries design, develop, and sell an intelligent inverter solution that maximizes power generation at the individual photovoltaic ("PV") module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. The Company's products consist mainly of (i) power optimizers which maximize energy throughput from each and every module through constant tracking of Maximum Power Point individually per module, (ii) inverters which invert direct current (DC) from the PV module to alternating current (AC) and (iii) a related cloud based monitoring platform, that collects and processes information from the power optimizers and inverters of a solar PV system to enable customers and system owners, as applicable, to monitor and manage the solar PV systems. The Company operates its business itself and through its wholly-owned subsidiaries: SolarEdge Technologies Ltd. in Israel; SolarEdge Technologies GmbH in Germany; SolarEdge Technologies (China) Co., Ltd in China; SolarEdge Technologies (Australia) PTY LTD. in Australia, SolarEdge Technologies (Canada) Ltd. in Canada and SolarEdge Technologies (Holland) B.V. in the Netherlands (collectively, the "subsidiaries"). Except for SolarEdge Technologies, Ltd in Israel, which carries out the research and development, management of manufacturing, global sales and support and management activities, the other subsidiaries are engaged solely in selling, marketing and support activities. The Company was incorporated in Delaware in August 2006 and began commercial sale of its products in January 2010.

b. As of June 30, 2014 and December 31, 2014 (unaudited), the Company had a major customer that accounted for approximately 19.1% and 32.3% (unaudited) of the Company's consolidated revenues, respectively.

c. The Company depends on two contract manufacturers and several limited or single source component suppliers. Reliance on these vendors makes the Company vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs.

Two vendors collectively account for 72%, 59% and 49% (unaudited) of the Company's total trade payables as of June 30, 2013, June 30, 2014 and December 31, 2014 (unaudited), respectively.

d. The Company has a history of net losses and negative cash flow from operating activity. As of June 30, 2014, the Company had cash and cash equivalents of \$9,754, a negative working capital of \$3,670 and an accumulated deficit of \$141,111. In February 2014, the Company amended its revolving line of credit with a bank lender (the "Bank Lender") to increase the size of the credit line to \$15,000 until May 2014 when it was increased to \$20,000 triggered by the closing of an investment round of \$10,000 (see Note 9). In addition, in September and October 2014, the Company received \$25,000 in connection with an equity financing round (see Note 16b). The Company fully settled its liabilities under the revolving line of credit (see Note 9) and the Term Loan (see Note 16e) in October 2014 and January 2015, respectively. The Company expects that it will meet the financial covenants relating to the line of credit through June 30, 2015 and also believes that its cash resources are sufficient to meet its operating needs for at least the next 12 months until June 30, 2015.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared according to United States generally accepted accounting principles ("U.S. GAAP").

a. Use of estimates:

The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions, including those related to warranty obligation, warrants to purchase convertible preferred shares, contingencies, share-based compensation cost, as well as in estimates used in applying the revenue recognition policy. The Company's management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

b. Financial statements in U.S. dollars:

The functional currency of the Company and its Israeli subsidiary is the U.S. dollar, as the U.S. dollar is the currency of the primary economic environment in which the Company has operated and expects to continue to operate in the foreseeable future. The Company's and its Israeli subsidiary's operations are currently primarily conducted in Israel and a significant portion of its expenses are currently paid in U.S. dollars. Financing activities including loans and cash investments, are mainly made in U.S. dollars.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are translated into U.S. dollars in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 830 ("Foreign Currency Matters"). All transaction gains and losses of the re-measurement of monetary balance sheet items are reflected in the statements of operations as financial income or expenses, as appropriate.

The financial statements of the Company's German, Chinese, Australian, Canadian and Dutch subsidiaries, whose functional currency is other than the U.S. dollar, have been translated into U.S. dollars. Assets and liabilities have been translated using the exchange rates in effect on the balance sheet date. Statements of operations amounts have been translated using the average exchange rate for the relevant periods. The resulting translation adjustments are reported as a component of stockholders' deficiency in accumulated other comprehensive income (loss).

Accumulated other comprehensive income (loss) related to foreign currency translation adjustments, net amounted to \$6, \$(26), \$(61) and \$(161) (unaudited) as of June 30, 2012, 2013, 2014 and December 31, 2014 (unaudited), respectively.

c. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany transactions and balances including profits from intercompany sales not yet realized outside the Company have been eliminated upon consolidation.

The Company's fiscal years 2012, 2013 and 2014 ended on June 30, 2012, 2013 and 2014, respectively. Unless otherwise stated, references to particular years and quarters, refer to the Company's fiscal years ended in June and the associated quarters of those fiscal years.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Unaudited interim financial information:

The accompanying consolidated balance sheet as of December 31, 2014, the consolidated statements of operations and comprehensive income (loss) and cash flows for the six months ended December 31, 2013 and 2014 and the stockholders' deficiency for the six months ended December 31, 2014 are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual consolidated statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position and results of operations and cash flows for the six months ended December 31, 2013 and 2014. The financial data and the other information disclosed in these notes to the consolidated financial statements related to the six month periods are unaudited. The results of the six months ended December 31, 2014 are not necessarily indicative of the results to be expected for the fiscal year ending June 30, 2015 or for any other interim period or for any other future year.

e. Pro Forma Consolidated Balance Sheet (unaudited):

Immediately upon the closing of an approved initial public offering (defined as the sale of the Company's common stock in a firm-commitment, underwritten public offering registered under the Securities Act of 1933, as amended, on (i) a US stock market exchange, or (ii) any other stock market exchange which provides sufficient liquidity to the Company's stockholders following registration of the shares held by them, in either case at a public offering price, before payment of any underwriters' discounts and expenses relating to the issuance, of at least \$4.618 per share (as adjusted for stock splits, stock dividends, reverse stock splits, reclassifications and the like) and which results in aggregate proceeds to the Company, before payment of any underwriters' discounts and expenses relating to the issuance, of not less than \$30,000, an "Approved IPO" or "IPO"), all of the outstanding shares of convertible preferred stock will automatically convert into shares of common stock. In addition, the outstanding warrants to purchase convertible preferred stock will automatically be converted upon the closing of an IPO into warrants to purchase common stock. The December 31, 2014 pro forma (unaudited) consolidated balance sheet has been prepared assuming the automatic conversion of all outstanding shares of convertible preferred stock into 84,743,792 shares of common stock.

f. Pro Forma Net Earnings (Loss) Per Share of Common Stock (unaudited):

In October 2014, the Company's board of directors authorized the filing of a registration statement with the Securities and Exchange Commission ("SEC") for the Company to sell shares of common stock to the public. Pro forma basic and diluted net loss per share of common stock have been computed in contemplation of the completion of an IPO and give effect to the conversion of all the Company's outstanding convertible preferred stock into common stock. All the outstanding shares of convertible preferred stock will automatically be converted into shares of common stock upon the closing of an IPO. Warrants to purchase convertible preferred stock upon the closing of an IPO will automatically be converted into warrants to purchase common stock. Therefore, the warrants that were not exercised to date were not included in the number of preferred shares used in computing pro forma basic net earnings (loss) per share.

The unaudited pro forma basic net earnings per share and diluted net earnings per share for the six month period ended December 31, 2014 (unaudited), assumes the conversion of the outstanding convertible preferred stock into common stock as of the later of the beginning of the period and the issuance date.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Basic and Diluted Net Earnings (Loss) Per Share:

Basic net earnings (loss) per share is computed by dividing the net earnings (loss) by the weighted-average number of shares of common stock outstanding during the period.

Diluted net earnings (loss) per share is computed by giving effect to all potential shares of common stock, including stock options and convertible preferred stock, to the extent dilutive, all in accordance with FASB ASC No. 260, "Earnings Per Share."

The total weighted average number of shares related to the outstanding stock options, convertible preferred stock and warrants to purchase convertible preferred stock, excluded from the calculation of diluted net earnings (loss) per share due to their anti-dilutive effect was 61,996,944, 68,859,791, 75,704,455, 74,903,874 (unaudited) and 87,045,678 (unaudited) for the years ended June 30, 2012, 2013 and 2014, and for the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), respectively.

Basic and diluted earnings (loss) per share is presented in conformity with the two-class method for participating securities for the periods prior to their conversion. Under this method the earnings per share for each class of shares are calculated assuming 100% of the Company's earnings are distributed as dividends to each class of shares based on their contractual rights. In addition, since all classes other than common shares do not participate in losses, for the six months ended December 31, 2014 (unaudited) these shares are not included in the computation of basic earnings per share.

For the years ended June 30, 2012, 2013 and 2014 and for the six months ended December 31, 2013 (unaudited) basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of common stock outstanding would have been anti-dilutive.

See Note 11 with regard to shareholders' rights of Class A, B, C, D, D-1, D-2, D-3 and E Shares.

h. Cash and cash equivalents:

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash, with original maturities of three months or less at the date acquired.

i. Restricted cash:

Restricted cash is primarily invested in short-term bank deposits, which are primarily used to guarantee a letter of credit which has been issued to one of the Company's major vendors and to the Company's landlords for its office leases.

j. Inventories:

Inventories are stated at the lower of cost or market value. Inventory reserves are provided to cover risks arising from slow-moving items or technological obsolescence.

The Company periodically evaluates the quantities on hand relative to historical, current and projected sales volume. Based on this evaluation, an impairment charge is recorded when required to write-down inventory to its market value.

Cost of finished goods and raw materials is determined using the moving average cost method.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, at the following rates:

	%
Computers and peripheral equipment	14 – 33 (mainly 33)
Office furniture and equipment	7 – 15 (mainly 7)
Machinery & equipment	7 – 33 (mainly 20)
Laboratory equipment	15 – 33 (mainly 15)
Leasehold improvements	over the shorter of the lease term or useful economic life

l. Impairment of long-lived assets:

The Company's long-lived assets are reviewed for impairment in accordance with ASC 360 ("Property, Plants and Equipment"), whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to the future undiscounted cash flows expected to be generated by the assets (or asset group). If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair value. For the years ended June 30, 2012, 2013 and 2014 and for the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), no impairment losses have been identified.

Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

m. Severance pay:

Pursuant to Israel's Severance Pay Law, Israeli employees are entitled to severance pay equal to one month's salary for each year of employment, or a portion thereof. The employees of the Company's Israeli subsidiary have elected to be included under section 14 of the Severance Pay Law, 1963, under which these employees are entitled only to monthly deposits made in their name with insurance companies, at a rate of 8.33% of their monthly salary. These payments cause the Company to be released from any future obligation under the Israeli Severance Pay Law to make severance payments in respect of those employees; therefore, related assets and liabilities are not presented in the balance sheet.

For the years ended June 30, 2012, 2013 and 2014 and for the six months period ended December 31, 2013 (unaudited) and 2014 (unaudited), the Company recorded \$821, \$974, \$1,109, \$531 (unaudited) and \$600 (unaudited), severance expenses, respectively.

n. Revenue recognition:

The Company and its subsidiaries generate their revenues mainly from the sale of power optimizers, inverters and cloud-based monitoring services, to distributors, installers and PV module manufacturers.

Revenues from product sales and related services are recognized in accordance with ASC 605 ("Revenue Recognition"), when persuasive evidence of an arrangement exists, delivery has

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

occurred, the selling price is fixed or determinable, collectability is reasonably assured and no significant obligations remain.

Persuasive evidence of an arrangement exists. The Company's customers mainly consist of distributors and installers (the "Customers"). The Company's sales arrangements with Customers are pursuant to written documentation, either a written contract or purchase order. The actual documentation used is dependent on the business practice with each Customer. Therefore, the Company determines that persuasive evidence of an arrangement exists with respect to a Customer when it has a written contract, or a binding purchase order from the Customer.

Delivery has occurred. Each item of written documentation relating to a sale arrangement that is agreed upon with the Customer specifically sets forth when risk of loss and title are being transferred (based on the agreed International Commercial terms, or "INCOTERMS"). Unless a different written arrangement with the Customer exists, the Company determines that risk of loss and title are transferred to the Customer when the applicable INCOTERMS are satisfied and thus delivery of its products has occurred.

The fee is fixed or determinable. The Company does not provide any price protection, stock rotation, right of return and/or other discount programs and thus the Company considers all the Customers as end-users and the fee is considered fixed and determinable upon execution of the written documentation with the Customers. Additionally, payments that are due within the normal course of the Company's credit terms, which are currently no more than three months from the delivery date, are deemed to be fixed and determinable. Fees and arrangements with payment terms extending beyond customary payment terms are considered not to be fixed or determinable, in which case revenues are deferred and recognized when payments become due, provided that all other revenue recognition criteria have been met.

Collectability is reasonably assured. The Company determines whether collectability is reasonably assured on a Customer-by-Customer basis pursuant to its credit review policy. The Company typically sells to Customers with whom it has a long-term business relationship and a history of successful collection. For a new Customer, or when an existing Customer substantially expands its commitments, the Company evaluates the Customer's financial position, the number of years the Customer has been in business, the history of collection with the Customer and the Customer's ability to pay and typically assigns a credit limit based on that review.

Provisions for rebates, sales incentives, and discounts to customers are accounted for as reductions in revenue in the same period the related sales are recorded.

The Company increases a credit limit only after it has established a successful collection history with the Customer. If the Company determines at any time that collectability is not reasonably assured under a particular arrangement based upon its credit review process, the Customer's payment history or information that comes to light about a Customer's financial position, it recognizes revenue under that arrangement as Customer payments are actually received.

Revenues related to cloud-based monitoring services are recognized ratably on a straight-line basis over the estimated service period of 25 years.

For multiple-element arrangements, the Company allocates revenue to all deliverables based on their relative selling prices. In such circumstances, the Company uses a hierarchy to determine the selling price to be used for allocating revenue to deliverables: (i) vendor-specific objective evidence of fair value ("VSOE"), (ii) third-party evidence of selling price ("TPE"), and (iii) best

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

estimate of the selling price ("ESP"). VSOE generally exists only when the Company sells the deliverable separately and is the price actually charged by the Company for that deliverable. ESPs reflect the Company's best estimates of what the selling prices of elements would be if they were sold regularly on a stand-alone basis. The Company has allocated revenue between its deliverables based on their relative selling prices. Because the Company has neither VSOE nor TPE for its deliverables, the allocation of revenue has been based on the Company's ESPs. Amounts allocated to the delivered elements are recognized at the time of sale provided the other conditions for revenue recognition have been met.

The Company's process for determining its ESP considers multiple factors that may vary depending upon the unique facts and circumstances related to each deliverable. Key factors considered by the Company in developing the ESPs for its products include prices charged by the Company for similar offerings, the Company's historical pricing practices and product-specific business objectives.

Deferred revenues consist of deferred web-based monitoring services, advance payments received from Customers for the Company's products and warranty extensions, and are classified as short-term and long-term deferred revenues based on the period in which revenues are expected to be recognized.

o. Cost of revenues:

Cost of revenues sold includes the following: product costs consisting of purchases from contract manufacturers and other suppliers, indirect manufacturing, support, warranty, provision for loss related to slow moving and dead inventory, personnel and logistics costs.

p. Shipping and handling costs:

Shipping and handling costs, which amounted to \$5,893, \$5,140, \$14,066, \$5,560 (unaudited) and \$14,222 (unaudited) for the years ended June 30, 2012, 2013 and 2014 and for the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), respectively, are included in cost of revenues in the consolidated statements of operations. Shipping and handling costs include all costs associated with the distribution of finished products from the Company's point of selling directly to its Customers.

q. Warranty obligations:

The Company's products include a minimum 12-year limited warranty for inverters and a 25-year limited warranty for power optimizers. In certain cases, the Company provides extended warranties for inverters that bring the warranty period up to 25 years. The Company maintains reserves to cover the expected costs that could result from these warranties. The potential liability is generally in the form of product replacement. Warranty reserves are based on the Company's best estimate of such costs and are included in cost of revenues. The reserve for the related warranty expenses is based on various factors including assumptions about the frequency of warranty claims on product failures, derived from results of accelerated lab testing, field monitoring, analysis of the history of product failures and the Company's reliability estimates.

The Company has established a reliability measurement system based on the units' estimated mean time between failure, or MTBF, a metric that equates to a steady-state failure rate per year for current generation products. The MTBF represents the predicted mean elapsed time to each product unit failure during system operation. The Company performs accelerated life cycle testing,

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

which simulates the service life of the product in a short period of time. The accelerated life cycle tests incorporate test methodologies derived from standard tests used by solar module vendors to evaluate the period over which solar modules wear out. Corresponding replacement costs are updated periodically to reflect changes in the Company's actual and estimated production costs for its products.

In addition, through the collection of actual failure statistics, the Company has identified several additional failure causes that are not included in the MTBF calculations. Such causes, which mostly consist of workmanship errors caused during the manufacturing process and replacement of non-faulty units by installers, are in addition to the replacement costs projected under the MTBF model. The Company identified each of those causes, its failure pattern and the relative ratio compared to the pattern of malfunctions identified under the MTBF and accrued additional provisions for the occurrence of such malfunctioning. The Company evaluates the continuation of these occurrences and the appearance of potential additional malfunctioning cases beyond the MTBF pattern and accrues additional expenses accordingly.

Warranty obligations are classified as short-term and long-term warranty obligations based on the period in which the warranty is expected to be claimed.

r. Royalty-bearing grants from the Binational Industrial Research and Development Foundation:

Royalty-bearing grants from the Binational Industrial Research and Development Foundation ("BIRD-F") for funding of approved research and development projects are recognized, as a deduction from research and development expenses, at the time the Company is entitled to such grants (see Note 10c).

The Company recorded grants from BIRD-F in the amount of \$248 for the year ended June 30, 2013, which was deducted from research and development expenses. No grants were recorded in the years ended June 30, 2012 and 2014 and in the six months ended December 31, 2013 (unaudited) and 2014 (unaudited).

s. Government grants:

Government grants received by the Company's Israeli subsidiary relating to categories of operating expenditures are credited to the consolidated statements of operations during the period in which the expenditure to which they relate is charged. Royalty bearing grants from the Israeli Office of the Chief Scientist ("OCS") for funding certain approved research and development projects are recognized at the time when the Company's Israeli subsidiary is entitled to such grants, on the basis of the related costs incurred, and are included as a deduction from research and development expenses.

The Company recorded grants in the amount of \$275 and \$644 (unaudited) for the year ended June 30, 2014 and for the six months ended December 31, 2014 (unaudited), respectively, which was deducted from research and development expenses. No grants were recorded in the years ended June 30, 2012 and 2013.

t. Research and development costs:

Research and development costs, net of grants received, are charged to the consolidated statement of operations as incurred.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

u. Concentrations of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash, trade receivables and other accounts receivable.

Cash and cash equivalents are mainly invested in major banks in the U.S., Germany and in Israel. Management believes that the financial institutions that hold the Company's investments are financially sound and, accordingly, minimal credit risk exists with respect to these investments.

The trade receivables of the Company are derived from sales to Customers located primarily in North America and Europe. The Company generally does not require collateral, except for a partial advance payment; however, in certain circumstances, the Company may require letters of credit, other collateral or additional guarantees. An allowance for doubtful accounts is determined with respect to specific debts that are doubtful of collection. As of June 30, 2013 and 2014 the Company did not accrue any allowance for doubtful accounts. As of December 31, 2014 (unaudited) the Company accrued \$28 (unaudited) as allowance for doubtful accounts.

As of June 30, 2014 and December 31, 2014 (unaudited), the Company had a major Customer which accounted for approximately 31% and 40% (unaudited), respectively, of the Company's consolidated trade receivables.

The Company and its subsidiaries have no off-balance sheet concentration of credit risk except for certain derivative instruments as mentioned below.

v. Fair value of financial instruments:

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

The carrying value of cash and cash equivalents, restricted cash, trade receivables, prepaid expenses and other accounts receivable, short term bank loan, trade payables, employees and payroll accruals and accrued expenses and other accounts payable approximate their fair values due to the short-term maturities of such instruments.

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2013 and 2014 and December 31, 2014 (unaudited) are comprised of foreign currency forward contracts and warrants to purchase convertible preferred stock liability related to term loan (see Note 8).

The Company applies ASC 820 ("Fair Value Measurements and Disclosures"), with respect to fair value measurements of all financial assets and liabilities.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. A three-tier fair value hierarchy is established

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

- Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — Include other inputs that are directly or indirectly observable in the marketplace.
- Level 3 — Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

In accordance with ASC 820, the Company measures its foreign currency derivative contracts, at fair value using the market approach valuation technique. Foreign currency derivative contracts as detailed in Note 2z are classified within the Level 2 value hierarchy, as the valuation inputs are based on quoted prices and market observable data of similar instruments. Warrants to purchase convertible preferred stock as detailed in Note 8 are classified within the Level 3 value hierarchy.

w. Warrants to Purchase Convertible Preferred Stock:

The Company accounts for freestanding warrants to purchase shares of its convertible preferred stock as a liability on the balance sheets at fair value. The warrants to purchase convertible preferred stock are recorded as a liability because of a provision calling for minimum proceeds upon or after an "Exit Event", as defined in the agreement.

The fair value of warrants to purchase convertible preferred stock on the issuance date and on subsequent reporting dates was determined using a hybrid method utilizing the assumptions noted below. The fair value of the underlying preferred stock price was determined by the board of directors considering, among others, third party valuations. The valuation of the Company was performed using the hybrid method, a hybrid between the probability-weighted estimated return method ("PWERM") and Option Pricing Method ("OPM") estimating the probability-weighted value across multiple scenarios but using the OPM to estimate the allocation of value within one or more of those scenarios. The OPM was used to allocate the Company's equity value between the preferred stock, common stock and warrants in a scenario of other liquidation events.

The expected terms of the warrants were based on the remaining contractual expiration period. The expected share price volatility for the shares was determined by examining the historical volatilities of a group of the Company's industry peers as there is no trading history of the Company's shares. The risk-free interest rate was calculated using the average of the published interest rates for U.S. Treasury zero-coupon issues with maturities that approximate the expected term. The dividend yield assumption was zero as there is no history of dividend payments.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following assumptions were used to estimate the value of the warrants to purchase convertible preferred stock:

	June 30,		December 31,	
	2013	2014	2013	2014
			Unaudited	Unaudited
Expected volatility	55.8%	45.0%	53.0%	54.5%
Risk-free rate	0.3%	0.09%	0.20%	0.24%
Dividend yield	0%	0%	0%	0%
Expected term (in years)	1.50	1.21	1.25	0.75

The change in the fair value of warrants to purchase convertible preferred stock is summarized below:

	Balance at beginning of period	Issuance of warrants to purchase preferred stock	Exercise of warrants to purchase preferred stock	Change in fair value	Balance at end of period
June 30, 2013	\$ —	\$ 778	\$ —	\$ 40	\$ 818
June 30, 2014	\$ 818	\$ —	\$ —	\$ (53)	\$ 765
December 31, 2014 (unaudited)	\$ 765	\$ —	\$ —	\$ 265	\$ 1,030

The warrants to purchase convertible preferred stock are subject to re-measurement to fair value at each balance sheet date and any change in fair value is recognized as a component of financial expenses, net, on the statements of operations. The Company will continue to adjust the liability for changes in fair value until the exercise or expiration of the warrants (see Note 8).

x. Accounting for stock-based compensation:

The Company accounts for stock-based compensation in accordance with ASC 718 ("Compensation-Stock Compensation"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an Option-Pricing Model ("OPM"). The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations.

The Company recognizes compensation expenses for the value of its awards granted based on the straight-line method over the requisite service period of each of the awards, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

The Company selected the Black-Scholes-Merton option pricing model as the most appropriate fair value method for its stock-option awards. The option-pricing model requires a number of assumptions, of which the most significant are the fair market value of the underlying common stock, expected stock price volatility and the expected option term. Expected volatility was calculated based upon certain peer companies that the Company considered to be comparable. The expected option term represents the period of time that options granted are expected to be outstanding. The expected option term is determined based on the simplified method in accordance with SAB No. 110, as adequate historical experience is not available to provide a reasonable estimate.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

The simplified method will continue to apply until enough historical experience is available to provide a reasonable estimate of the expected term. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has not declared or paid any dividends on its common stock and does not expect to pay any dividends in the foreseeable future.

The fair value of the shares of common stock underlying the stock options has historically been determined by the Company's management and approved by the board of directors. Because there has been no public market for the Company's common stock, the Company's management has determined fair value of the common stock by using, among other factors, third party valuations at the time of grant of the option by considering a number of objective and subjective factors, including data from other comparable companies, issuance of convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of capital stock and general and industry specific economic outlook. The fair value of the underlying common stock will be determined by the management until such time as the Company's common stock is listed on an established stock exchange or national market system.

Since the distributions and participation rights to security holders are different in a sale/liquidation scenario versus an IPO, the valuation of the Company's equity was performed using a discounted cash flow (DCF) model or a new investment round by external investors. The allocation of the Company's equity value between the convertible preferred stock, common stock and warrants was performed using a hybrid method between the PWERM and OPM estimating the probability-weighted value across multiple scenarios for liquidation events other than an IPO. Before the per share value was determined, a discount for lack of marketability and a voting right differential was applied, as applicable, to the common stock.

The fair value for options granted to employees and executive directors in the year ended June 30, 2012, 2013 and 2014 and for the six months ended December 31, 2013 (unaudited) and 2014 (unaudited) is estimated at the date of grant using a Black-Scholes-Merton option pricing model with the following assumptions:

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
Risk-free interest	0.92% – 1.86%	0.74% – 1.00%	1.62% – 1.94%	1.62% – 1.69%	1.77% – 2.06%
Dividend yields	0%	0%	0%	0%	0%
Volatility	62.7 – 68.0%	55.8 – 62.7%	46.3 – 55.8%	53.0 – 55.8%	46.5 – 54.5%
Expected option term	6.02 – 6.27 years	6.08 – 6.27 years	6.02 – 6.27 years	6.08 – 6.27 years	6.02 – 6.27 years
Estimated forfeiture rate	11.5 – 27.7%	14.5 – 20.9%	14.0%	15.0%	12.5%

The following table set forth the parameters used in computation of the options compensation to non-employee consultants in the year ended June 30, 2012, 2013 and 2014 and for the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), using a Black-Scholes-Merton option pricing model with the following assumptions:

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
Risk-free interest	1.03% – 2.09%	0.98% – 1.96%	1.95% – 2.45%	1.95% – 2.45%	1.69% – 2.58%
Dividend yields	0%	0%	0%	0%	0%
Volatility	62.7% – 68.0%	55.8% – 62.7%	45.0% – 55.8%	53.0% – 55.8%	45.5% – 54.5%
Contractual life	8.0 – 10.0 years	7.0 – 10.0 years	6.0 – 10.0 years	6.5 – 9.0 years	6.2 – 10.0 years

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

y. Income taxes:

The Company and its subsidiaries account for income taxes in accordance with ASC 740, "Income Taxes." ASC 740 prescribes the use of the liability method, whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

The Company and its subsidiaries provide a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

The Company accounts for uncertain tax positions in accordance with ASC 740. ASC 740-10 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% (cumulative probability) likely to be realized upon ultimate settlement. The Company accrues interest and penalties related to unrecognized tax benefits under taxes on income.

z. Derivative financial instruments:

The Company accounts for derivatives and hedging based on ASC 815 ("Derivatives and Hedging"). ASC 815 requires the Company to recognize all derivatives on the balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship.

The Company entered into derivative instrument arrangements to hedge the Company's exposure to currencies other than the U.S. dollar. These derivative instruments are not designated as cash flows hedges, as defined by ASC 815, and therefore all gains and losses were recorded immediately in the statement of operations, as financial expenses, net.

As of June 30, 2013 and 2014 and December 31, 2014 (unaudited), the Company recorded the fair value of derivative instruments in the amount of \$258, \$213 and \$122 (unaudited), respectively in prepaid expenses and other accounts receivable.

aa. Comprehensive income (loss):

The Company reports comprehensive loss in accordance with ASC 220 ("Comprehensive Income"). ASC 220 establishes standards for the reporting and presentation of comprehensive income and its components in a full set of general purpose financial statements.

Total comprehensive loss and the components of accumulated other comprehensive income (loss) are presented in the consolidated statements of stockholders' deficiency. Accumulated other comprehensive loss consists of foreign currency translation effects.

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

ab. The impact of recently issued accounting standards still not effective for the Company as of June 30, 2014 is as follows:

In May 2014, the FASB issued an accounting standard update on revenue from contracts with customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard will be effective for the Company on July 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is currently evaluating the effect that the new guidance will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

NOTE 3: — PREPAID EXPENSES AND OTHER ACCOUNTS RECEIVABLE

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			Unaudited
Contract manufacturers	\$ 4,119	\$ 10,234	\$ 18,683
Government authorities	331	646	961
OCS	—	—	410
Prepaid expenses and other	806	2,038	3,638
Foreign currency derivative contracts	258	213	122
Deferred charges (see Note 8)	29	20	14
	<u>\$ 5,543</u>	<u>\$ 13,151</u>	<u>\$ 23,828</u>

NOTE 4: — INVENTORIES

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			Unaudited
Raw materials	\$ 2,236	\$ 7,750	\$ 13,795
Finished goods	12,549	17,749	33,824
	<u>\$ 14,785</u>	<u>\$ 25,499</u>	<u>\$ 47,619</u>

The Company recorded inventory write-downs of \$326, \$428, \$1,131, \$475 (unaudited), and \$510 (unaudited) for the years ended on June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), respectively.

NOTE 5: — PROPERTY AND EQUIPMENT

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			Unaudited
Cost:			
Computers and peripheral equipment	\$ 2,612	\$ 3,193	\$ 3,646
Office furniture and equipment	347	404	490
Laboratory and testing equipment	4,505	5,856	6,496
Machinery & equipment	1,546	2,491	4,186
Leasehold improvements	290	353	568
	<u>9,300</u>	<u>12,297</u>	<u>15,386</u>
Less — accumulated depreciation	4,961	6,946	8,029
Depreciated cost	<u>\$ 4,339</u>	<u>\$ 5,351</u>	<u>\$ 7,357</u>

Depreciation expenses for the years ended June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited) were \$1,283, \$1,842, \$1,978, \$955 (unaudited), and \$1,103 (unaudited) respectively.

NOTE 6: — ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			Unaudited
Accrued expenses	\$ 6,171	\$ 5,430	\$ 33,086
Provision for contractual inventory purchase obligations*	2,001	1,317	1,203
OCS	—	146	—
	<u>\$ 8,172</u>	<u>\$ 6,893</u>	<u>\$ 34,289</u>

* See also Note 10e.

NOTE 7: — WARRANTY OBLIGATIONS

Changes in the Company's product warranty liability for the years ended on June 30, 2013 and 2014 and the six months ended December 31, 2014 (unaudited) were as follows:

	<u>June 30,</u>		<u>December 31,</u>
	<u>2013</u>	<u>2014</u>	<u>2014</u>
			Unaudited
Balance, at beginning of year	\$ 6,512	\$ 10,378	\$ 18,181
Additions and adjustments to cost of revenues	6,695	11,861	8,469
Usage and current warranty expenses	<u>(2,829)</u>	<u>(4,058)</u>	<u>(2,353)</u>
Balance, at end of year	10,378	18,181	24,297
Less current portion	<u>(2,959)</u>	<u>(5,496)</u>	<u>(6,652)</u>
Long term portion	<u>\$ 7,419</u>	<u>\$ 12,685</u>	<u>\$ 17,645</u>

NOTE 8: — TERM LOAN AND WARRANTS TO PURCHASE CONVERTIBLE PREFERRED STOCK

On December 28, 2012 (the "Agreement Date"), the Company entered into a loan facility agreement (the "Loan Agreement") with a lender (the "Lender"), pursuant to which the Lender agreed to loan the Company up to \$10,000. On the Agreement Date, the Company received a total of \$10,000, less a \$100 loan transaction fee paid to the Lender (the "Loan"). The Loan is for a period of 42 months and bears annual interest of 11.90%, which is to be paid monthly. The principal of the loan is to be paid in 33 monthly payments, beginning in September 2013, except for the last loan payment which was paid in advance on the Agreement Date. Repayment of the Loan and payment of all other amounts owed to the Lender is paid in Euro.

Borrowings pursuant to the Loan Agreement are secured by a first priority security interest in all existing and future assets of the Company, ranking junior to the Bank Lender's security interest as to the Company's trade receivables, inventory and cash and ranking pari passu with the Bank Lender's security interest as to all other collateral, including all equipment, intellectual property and all outstanding share capital of SolarEdge Technologies GmbH, Inc. and SolarEdge Technologies (China) Co., Ltd. (see Note 9).

In connection with the Loan Agreement, the Company granted the Lender 563,014 warrants to purchase Series D-1 convertible preferred stock at an exercise price of \$2.309 (the "Warrants"). The Warrants are exercisable in whole or in part prior to earliest of (i) the tenth anniversary of the Loan or (ii) 12 months after a qualified initial public offering or (iii) immediately prior to the consummation of a merger or sale of all or substantially all of the Company's assets ("M&A Transaction", and together with a qualified initial public offering, an "Exit Event").

If (i) the Lender exercises all Warrants in full upon or after an Exit Event, and (ii) the intrinsic value of the Warrants upon such exercise is lower than \$750, the Company shall pay to the Lender, in addition to any other amounts due to the Lender under the Loan Agreement, an amount equal to the difference between \$750 and the Warrants' intrinsic value.

On the Agreement Date, the Company recorded its freestanding Warrants to purchase its convertible preferred stock in the amount of \$778 as a liability at their fair value upon issuance, by utilizing an option pricing method. The fair value of the Warrants is subject to remeasurement at each balance sheet date with any change in value being reflected as financial expenses, net. As of June 30, 2014 and December 31, 2014 (unaudited), the Warrants liability has been measured at fair value in the amount of \$765 and \$1,030 (unaudited), respectively.

Upon exercise or expiration, the Warrants will be reclassified to stockholders' equity (deficiency), at which time the Warrant liability will no longer be subject to fair value accounting.

The fair value of the Warrants liability on the Agreement Date in the amount of \$778 represents a loan discount which will be amortized to financial expenses over the period of the Loan by using the effective interest method. The residual amount of \$9,122 (net of the \$100 loan transaction fee) was allocated to the Loan.

Issuance expenses in the amount of \$75 were allocated to the warrants to purchase convertible preferred stock liability and to the Loan, according to the above recorded values ratio. Issuance expenses in the amount of \$6 related to the Warrants liability were immediately expensed and recorded as financial expenses, net. Issuance expenses in the amount of \$69 related to the Loan were recorded as deferred charge assets (classified to short-term and long-term assets). The deferred charge assets are amortized over the period of the Loan by using the effective interest method.

NOTE 8: — TERM LOAN AND WARRANTS TO PURCHASE CONVERTIBLE PREFERRED STOCK (Continued)

In January 2015, the Company fully settled the amount borrowed from Kreos under the Term Loan (see Note 16e).

NOTE 9: — REVOLVING CREDIT LINE

In June 2011, the Company entered into an agreement for a revolving line of credit from a Bank Lender (the "Bank Lender"), which, as amended to date, permits aggregate borrowings of up to \$20 million in an amount not to exceed 80% of the eligible trade receivables plus 65% of inventories in transit to customers and bears interest, payable monthly, at the Bank Lender's prime rate plus a margin of 0.75% to 2.75%. The average interest rate on the Company's outstanding borrowings as of June 30, 2013 and 2014 and December 31, 2014 (unaudited) was 5.25%, 4.9% and 4.75% (unaudited), respectively. The revolving line of credit will terminate on July 4, 2015.

In connection with the revolving line of credit, the Company granted the Bank Lender security interests in substantially all of the Company's assets, including a first-priority security interest in the Company's trade receivables, cash and cash equivalents. Financial covenants contained in the agreement require the Company to maintain EBITDA and liquidity at specified levels.

Specifically, the Company is required to maintain EBITDA (defined as (a) net income on a non-GAAP basis, plus (b) interest expense, plus (c) to the extent deducted in the calculation of net income, depreciation expense and amortization expense, plus (d) income tax expense) of at least \$500 as of September 30, 2014 and December 31, 2014 and in an amount to be set by the Bank Lender in its reasonable discretion as of March 31, 2015 and June 30, 2015.

The Company is required to maintain liquidity (defined as unrestricted and unencumbered cash, plus availability under the revolving credit facility) of \$6,750.

The revolving line of credit also contains covenants that restrict the Company's ability to dispose of assets, engage in business combinations (or permit a subsidiary to engage in business combinations), grant liens, borrow money, or pay dividends.

As of June 30, 2013 and 2014, the credit line had an outstanding principal balance of \$3,899 and \$13,265, respectively, and accrued interest balance of \$17 and \$61, respectively. As of December 31, 2014 the Company settled the entire credit line balance. As of June 30, 2013 and 2014 and December 31, 2014 (unaudited), the Company had remaining available credit line, which was not utilized, in the amount of \$16,101, \$6,735 and \$20,000 (unaudited), respectively.

As of June 30, 2013 and 2014 and December 31, 2014 (unaudited), the Company met all its Bank Lender covenants.

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES

a. Lease commitments:

The Company and its subsidiaries lease their operating facilities under non-cancelable operating lease agreements, which expire over the next ten years, with the last ending in December 2024.

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The future minimum lease commitments of the Company and its subsidiaries under various non-cancelable operating lease agreements in respect of premises, that are in effect as of December 31, 2014, are as follows:

<u>Year ended December 31,</u>	<u>(Unaudited)</u>
2015	\$ 1,000
2016	1,935
2017	1,921
2018	1,915
2019 and thereafter	10,179
	<u>\$ 16,950</u>

Rent expenses for the years ended June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited) were approximately \$670, \$1,212, \$1,200, \$574 (unaudited) and \$596 (unaudited), respectively.

b. Guarantees:

As of December 31, 2014 (unaudited), contingent liabilities exist regarding guarantees in the amount of \$652, \$51 and \$31 in respect of office rent lease agreements, customs transactions and credit card limits, respectively.

c. Royalty commitments:

On April 12, 2009, the Company received approval for a grant in a total amount of \$703, from the BIRD-F in conjunction with a mutual development project with an American corporation.

Under the Company's research and development agreements with the BIRD-F, and pursuant to applicable law, the Company is required to pay royalties at the rate of 5% of gross sales of products developed with funds provided by the BIRD-F, up to an amount equal to 150% of the research and development grants (dollar-linked) received from the BIRD-F. The obligation to pay these royalties is contingent on actual sales of the products and, in the absence of such sales, no payment is required. Royalties payable with respect to grants received from the BIRD-F are linked to the Consumer Price Index in the U.S.

At the end of 2011, the American corporation that had partnered with the Company announced the discontinuation of its solar business, resulting in the termination of the mutual development. As a result the development has not materialized into a commercial product. The Company does not expect any revenues from such project or the utilization of the technology mutually developed.

As of December 31, 2014 (unaudited), the aggregate contingent liability to the BIRD-F amounted to approximately \$1,116 (unaudited) which would be payable by the Company if it ever did generate revenues from such project.

d. Governmental commitments:

The Company has received royalty-bearing grants sponsored by the Israeli government for the support of research and development activities. Through June 30, 2014, the Company had obtained grants from the Israeli Office of the Chief Scientist (the "OCS") for certain of the Company's research and development projects. The Company is obligated to pay royalties to the OCS,

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

amounting to 4% in the first three years, and 4.5% thereafter, of the sales of the products and other related revenues (based on the dollar equivalent amount of the grant) generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required.

As of December 31, 2014 (unaudited), the aggregate contingent liability to the OCS amounted to \$563 (unaudited).

The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the OCS. Such approval is not required for the sale or export of any products resulting from such research or development. The OCS, under special circumstances, may approve the transfer of OCS-funded know-how outside Israel, in the following cases: (a) the grant recipient pays to the OCS a portion of the sale price paid in consideration for such OCS-funded know-how or in consideration for the sale of the grant recipient itself, as the case may be, which portion will not exceed six times the amount of the grants received plus interest (or three times the amount of the grant received plus interest, in the event that the recipient of the know-how has committed to retain the R&D activities of the grant recipient in Israel after the transfer); (b) the grant recipient receives know-how from a third party in exchange for its OCS-funded know-how; (c) such transfer of OCS-funded know-how arises in connection with certain types of cooperation in research and development activities; or (d) if such transfer of know-how arises in connection with a liquidation by reason of insolvency or receivership of the grant recipient.

e. Contractual purchase obligations:

The Company has contractual obligations to purchase goods and raw materials. These contractual purchase obligations relate to inventories held by contract manufacturers and purchase orders initiated by the contract manufacturers, which cannot be canceled without penalty. The Company utilizes third parties to manufacture its products. In addition, it acquires raw materials or other goods and services, including product components, by issuing to suppliers authorizations to purchase based on its projected demand and manufacturing needs. As of December 31, 2014 (unaudited), the Company had non-cancelable purchase obligations totaling approximately \$51,188 (unaudited) out of which the Company already recorded a provision for loss in the amount of \$1,203 (unaudited) (see also Note 6).

f. Legal claims:

1. From time to time, the Company may be involved in various claims and legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. These accruals are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.
2. On February 6, 2012, SolarEdge Technologies Ltd. ("SolarEdge") was served with a lawsuit filed by Appletech Ltd. ("Appletech") in the Tel Aviv-Jaffa Court in an amount of NIS 2,208,000 (\$642 as of June 30, 2014) alleging that SolarEdge owes payment under a manufacturing agreement and purchase orders. SolarEdge maintained that if any amounts should be deemed due, they would need to be offset with damages caused by

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Appletech and incurred by SolarEdge. SolarEdge filed a countersuit. The parties agreed to a summary judgment proceeding which was held in July 2014. On July 24, 2014, the judge ruled that SolarEdge is to pay NIS 1,725,000 (\$502 as of June 30, 2014) to Appletech within 45 days of the judgment (see also Note 16a).

An adequate liability was recorded in the financial statements as of June 30, 2013 and 2014, and the amount of the judgment was paid in September 2014.

NOTE 11: — CONVERTIBLE PREFERRED STOCK

a. Composition of Convertible Preferred Stock:

	<u>Authorized</u>		<u>Issued and outstanding</u>		<u>Carrying amount</u>	
	<u>Number of shares</u>					
	<u>June 30,</u>				<u>June 30,</u>	<u>June 30,</u>
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Stock of \$0.001 par value:						
Series A Preferred stock	15,558,830	15,558,830	15,558,830	15,558,830	\$ 10,639	\$ 10,639
Series B Preferred stock	19,010,196	19,010,196	18,760,196	18,760,196	22,827	22,827
Series C Preferred stock	15,984,655	15,984,655	15,984,655	15,984,655	24,892	24,892
Series D Preferred stock	16,024,251	16,024,251	16,024,251	16,024,251	36,876	36,876
Series D-1 Preferred stock	5,100,000	5,100,000	2,165,441	2,165,441	4,995	4,995
Series D-2 Preferred stock(*)	—	2,598,528	—	2,598,528	5,314	5,983
Series D-3 Preferred stock	—	6,496,315	—	4,330,872	—	9,991
	<u>71,677,932</u>	<u>80,772,775</u>	<u>68,493,373</u>	<u>75,422,773</u>	<u>\$ 105,543</u>	<u>\$ 116,203</u>

	<u>Authorized</u>		<u>Issued and outstanding</u>		<u>Carrying amount</u>	
	<u>Number of shares</u>					
	<u>December 31,</u>				<u>December 31,</u>	
	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>
Stock of \$0.001 par value:						
Series A Preferred stock		15,558,830	15,558,830	\$		10,639
Series B Preferred stock		19,010,196	18,760,196			22,827
Series C Preferred stock		15,984,655	15,984,655			24,892
Series D Preferred stock		16,024,251	16,024,251			36,876
Series D-1 Preferred stock		5,100,000	2,165,441			4,995
Series D-2 Preferred stock(*)		2,598,528	2,598,528			5,983
Series D-3 Preferred stock		6,496,315	4,330,872			9,991
Series E Preferred stock		9,321,021	9,321,019			24,712
		<u>90,093,796</u>	<u>84,743,792</u>			<u>140,915</u>

(*) As of June 30, 2013, a total of \$5,314 was received on account of preferred stock. The related 2,598,528 Series D-2 preferred stock were issued in July 2013.

NOTE 11: — CONVERTIBLE PREFERRED STOCK (Continued)

The Company issued Series A through E Preferred stock between the years 2006 and 2015. The Company classifies the convertible preferred stock outside of stockholders' deficiency as required by ASC 480-10-S99-3A and ASR 268, since the shares possess deemed liquidation features that may trigger a distribution of cash or assets that is not solely within the Company's control. Pursuant to the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), unless otherwise agreed in writing by the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a single class and on an as-converted basis, a "Deemed Liquidation Event" shall include (i) any acquisition of the Company by means of merger or other form of corporate reorganization in which outstanding shares of the Company are exchanged for securities issued or other consideration paid, or caused to be issued or paid, as applicable, by the acquiring corporation or its subsidiary and in which the holders of capital stock of the Company immediately prior to the transaction hold less than 50% of the voting power of the surviving entity immediately following the transaction (other than a mere reincorporation transaction), (ii) a sale, lease or exchange of all or substantially all of the assets of the Company or the exclusive license of substantially all of the intellectual property of the Company, (iii) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company's securities), of the Company's then outstanding securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of the Company.

For the years ended June 30, 2012, 2013 and 2014 and the six months ended December 30, 2013 (unaudited) and 2014 (unaudited), the Company did not adjust the carrying values of the convertible preferred stock to the deemed liquidation values of such shares since a deemed liquidation event was not probable at each balance sheet date. Subsequent adjustments to increase the carrying values to the ultimate liquidation values will be made only when it becomes probable that such a deemed liquidation event will occur.

b. Preferred Stock Rights:

Series A, Series B, Series C, Series D, Series D-1, Series D-2, Series D-3 and Series E Preferred stock confer upon their holders all the rights conferred by common stock, in addition to certain rights mentioned in the Company's Certificate of Incorporation, including among others the following:

- i. Right to receive dividends — No payment of any dividends shall be declared or paid on any class of stock of the Company unless an equal and ratable dividend is first declared and paid to Series E, Series D-3, Series D-2, Series D-1, Series D, Series C, Series B and Series A stockholders, in their respective order.
- ii. Right to receive dividends — No payment of any dividends shall be declared or paid on any class of stock of the Company unless an equal and ratable dividend is first declared and paid to Series E, Series D-3, Series D-2, Series D-1, Series D, Series C, Series B and Series A stockholders, in their respective order.
- iii. Liquidation rights — In the event of any liquidation event, the Company shall distribute to the holders of preferred stock, prior to and in preference to any payments to any of the holders of any other classes of stock, a per share amount equal to the original issuance price for each of their shares plus interest accruing annually on a compounded basis at the rate of 5% on the original issue price per annum from the date of issuance (except for Series A), plus all declared but unpaid dividends on each such share of Convertible Preferred stock then held by the holder less any dividends actually paid on such share of convertible preferred stock.

NOTE 11: — CONVERTIBLE PREFERRED STOCK (Continued)

The liquidation order is such that Series E, Series D-3, Series D-2, Series D-1, Series D, Series C, Series B and Series A preferred stockholders shall be entitled, in their respective order, to receive, prior and in preference to the above order any distribution of any asset, capital, earnings or surplus funds of the Company. All remaining assets shall be distributed ratably among the holders of common stock based on the number of shares of common stock then held by each holder.

- iv. Voting rights — Each holder of shares of convertible preferred stock shall be entitled to the number of votes equal to the number of shares of common stock into which such shares of convertible Preferred stock could be converted and shall have voting rights and powers equal to the voting rights and powers of the common stock and entitled to notice of any stockholders meeting. Each holder of common stock shall be entitled to one vote for each share of common stock held.
- v. Automatic and optional conversion:

Each share of convertible preferred stock is convertible at the option of the holder into the number of shares of common stock determined by dividing the original issue price by the applicable conversion price. The original issue price per share is \$0.70 for Series A, \$1.23 for Series B, \$1.56 for Series C, \$2.31 for Series D, D-1, D-2 and D-3 and \$2.68 for Series E. At the current conversion prices, each share of Series A, Series B, Series C, Series D, Series D-1, Series D-2, Series D-3 and Series E will convert into common stock on a 1-for-1 basis. The conversion price per share for convertible preferred stock shall be adjusted for certain recapitalizations, splits, combinations, common stock dividends or similar events.

Each and all shares of convertible preferred stock shall automatically be converted into shares of common stock at the then effective conversion price applicable to such share upon the earlier of (i) the date specified by the written consent or agreement of holders of a majority of the shares of Preferred stock then outstanding if (and only if) such conversion is (A) a contractually required condition precedent to the closing of a Qualified Financing Event (as defined in the Company's certificate of incorporation), or (B) necessary for the implementation of a Carve-Out Plan (as such term is defined in the Company's certificate of incorporation), (ii) the date specified by the written consent or agreement of holders of a majority of the shares of Preferred stock then outstanding, provided that the written consent of 66% of the shares of Series A Convertible Preferred Stock then outstanding, 70% of the shares of Series B Convertible Preferred Stock then outstanding, 66% of the shares of Series C Convertible Preferred Stock then outstanding and the majority, of the shares of Series D, Series D-1, Series D-2, Series D-3 and Series E Convertible Preferred Stock then outstanding is required, together with other requirements specified in the certificate of incorporation or (iii) immediately upon the closing of an Approved IPO.

NOTE 12: — STOCK CAPITAL

a. Composition of common stock capital of the Company:

	<u>Authorized</u>		<u>Issued and</u>	
	<u>Number of shares</u>			
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Stock of \$0.001 par value:				
Common stock	<u>98,322,068</u>	<u>104,818,383</u>	<u>8,347,498</u>	<u>8,429,885</u>

	<u>Authorized</u>		<u>Issued and</u>	
	<u>December 31,</u>			
	<u>2014</u>		<u>2014</u>	
	<u>Unaudited</u>			
<u>Number of Shares</u>				
Stock of \$0.001 par value:				
Common stock		<u>125,000,000</u>		<u>8,451,396</u>

b. Common stock rights:

Common stock confers upon its holders the right to receive notice of, and to participate in, all general meetings of the Company, where each share of common stock shall have one vote for all purposes; to share equally, on a per share basis, in bonuses, profits or distributions out of fund legally available therefor; and to participate in the distribution of the surplus assets of the Company in the event of liquidation of the Company, subject to the preferences of the convertible preferred stock described above in Note 11b.

c. Stock option plans:

The Company's 2007 Global Incentive Plan (the "Plan") was adopted by the board of directors on August 30, 2007. As of June 30, 2014 and December 31, 2014 (unaudited), a total of 15,702,638 and 21,759,754 (unaudited) options are reserved for issuance under the plan, respectively.

As of June 30, 2014 and December 31, 2014 (unaudited), an aggregate of 208,087 and 317,579 (unaudited) options are still available for future grant under the Plan, respectively.

NOTE 12: — STOCK CAPITAL (Continued)

A summary of the activity in the share options granted to employees and members of the board of directors for the year ended June 30, 2014 and related information follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of July 1, 2013	10,876,333	\$ 0.64	7.39	\$ 5,757
Granted	1,726,500	\$ 1.14		
Exercised	(82,387)	\$ 0.62		
Forfeited or expired	(498,780)	\$ 0.72		
Outstanding as of June 30, 2014	<u>12,021,666</u>	<u>\$ 0.71</u>	<u>6.82</u>	<u>\$ 6,384</u>
Vested and expected to vest as of June 30, 2014	<u>11,239,860</u>	<u>\$ 0.69</u>	<u>6.69</u>	<u>\$ 6,175</u>
Exercisable as of June 30, 2014	<u>8,158,107</u>	<u>\$ 0.60</u>	<u>6.08</u>	<u>\$ 5,206</u>

A summary of the activity in the share options granted to employees and members of the board of directors for the year ended June 30, 2013 and related information follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of July 1, 2012	10,752,375	\$ 0.62	8.23	\$ 4,290
Granted	1,117,500	\$ 0.86		
Exercised	(192,335)	\$ 0.57		
Forfeited or expired	(801,207)	\$ 0.70		
Outstanding as of June 30, 2013	<u>10,876,333</u>	<u>\$ 0.64</u>	<u>7.39</u>	<u>\$ 5,757</u>
Vested and expected to vest as of June 30, 2013	<u>10,139,404</u>	<u>\$ 0.63</u>	<u>7.31</u>	<u>\$ 5,471</u>
Exercisable as of June 30, 2013	<u>6,520,025</u>	<u>\$ 0.55</u>	<u>6.67</u>	<u>\$ 4,058</u>

NOTE 12: — STOCK CAPITAL (Continued)

A summary of the activity in the share options granted to employees and members of the board of directors for the year ended June 30, 2012 and related information follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of July 1, 2011	7,622,084	\$ 0.53	8.59	\$ 1,810
Granted	3,701,750	\$ 0.80		
Exercised	(96,774)	\$ 0.42		
Forfeited or expired	(474,685)	\$ 0.65		
Outstanding as of June 30, 2012	<u>10,752,375</u>	<u>\$ 0.62</u>	<u>8.23</u>	<u>\$ 4,290</u>
Vested and expected to vest as of June 30, 2012	<u>10,042,168</u>	<u>\$ 0.61</u>	<u>8.18</u>	<u>\$ 4,075</u>
Exercisable as of June 30, 2012	<u>4,635,221</u>	<u>\$ 0.49</u>	<u>7.26</u>	<u>\$ 2,463</u>

A summary of the activity in the share options granted to employees and members of the board of directors for the six months ended December 31, 2014 (unaudited) and related information follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of July 1, 2014	12,021,666	\$ 0.71	6.82	\$ 6,384
Granted (unaudited)	5,948,508	\$ 1.66		
Exercised (unaudited)	(21,511)	\$ 0.74		
Forfeited or expired (unaudited)	(86,301)	\$ 0.92		
Outstanding as of December 31, 2014 (unaudited)	<u>17,862,362</u>	<u>\$ 1.02</u>	<u>7.50</u>	<u>\$ 37,450</u>
Vested and expected to vest as of December 31, 2014 (unaudited)	<u>16,863,348</u>	<u>\$ 1.01</u>	<u>7.41</u>	<u>\$ 35,652</u>
Exercisable as of December 31, 2014 (unaudited)	<u>9,243,029</u>	<u>\$ 0.64</u>	<u>5.82</u>	<u>\$ 22,894</u>

NOTE 12: — STOCK CAPITAL (Continued)

A summary of the activity in the share options granted to employees and members of the board of directors for the six months ended December 31, 2013 (unaudited) and related information follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of July 1, 2013	10,876,333	\$ 0.64	7.39	\$ 5,757
Granted (unaudited)	344,000	\$ 1.01		
Exercised (unaudited)	(61,834)	\$ 0.60		
Forfeited or expired (unaudited)	(320,249)	\$ 0.68		
Outstanding as of December 31, 2013 (unaudited)	<u>10,838,250</u>	<u>\$ 0.65</u>	<u>6.97</u>	<u>\$ 6,380</u>
Vested and expected to vest as of December 31, 2013 (unaudited)	<u>10,173,147</u>	<u>\$ 0.64</u>	<u>6.88</u>	<u>\$ 6,098</u>
Exercisable as of December 31, 2013 (unaudited)	<u>7,293,864</u>	<u>\$ 0.58</u>	<u>6.39</u>	<u>\$ 4,844</u>

The aggregate intrinsic value represents the total intrinsic value (the difference between the fair value of the Company's common stock as of the last day of each period and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on the last day of each periods. The total intrinsic value of options exercised during the year ended June 30, 2014 and the six months ended December 31, 2014 (unaudited) was \$58 and \$51 (unaudited), respectively.

The weighted average grant date fair values of options granted to employees and executive directors during the years ended June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited) were \$0.57, \$0.52, \$0.66, \$0.68 (unaudited) and \$1.41 (unaudited), respectively.

The options outstanding as of June 30, 2014, have been separated into exercise price ranges as follows:

Range of exercise price	Options outstanding as of June 30, 2014	Weighted average remaining contractual Life in years	Options exercisable as of June 30, 2014	Weighted average remaining contractual Life in years
\$0.29	1,470,500	4.14	1,470,500	4.14
\$0.50 - \$0.56	2,339,000	5.05	2,322,592	5.05
\$0.67 - \$0.82	6,343,666	7.31	4,165,941	7.19
\$1.01 - \$1.17	1,868,500	9.46	199,074	9.19
	<u>12,021,666</u>	<u>6.82</u>	<u>8,158,107</u>	<u>6.08</u>

NOTE 12: — STOCK CAPITAL (Continued)

The options outstanding as of June 30, 2013, have been separated into exercise price ranges as follows:

<u>Range of exercise price</u>	<u>Options outstanding as of June 30, 2013</u>	<u>Weighted average remaining contractual Life in years</u>	<u>Options exercisable as of June 30, 2013</u>	<u>Weighted average remaining contractual Life in years</u>
\$0.29	1,470,500	5.14	1,469,250	5.14
\$0.50 - \$0.56	2,561,833	6.11	2,424,022	6.10
\$0.67 - \$0.82	6,616,000	8.31	2,623,940	8.05
\$1.01 - \$1.05	228,000	9.69	2,813	9.57
	<u>10,876,333</u>	<u>7.39</u>	<u>6,520,025</u>	<u>6.67</u>

The options outstanding as of June 30, 2012, have been separated into ranges of exercise price ranges as follows:

<u>Range of exercise price</u>	<u>Options outstanding as of June 30, 2012</u>	<u>Weighted average remaining contractual Life in years</u>	<u>Options exercisable as of June 30, 2012</u>	<u>Weighted average remaining contractual Life in years</u>
\$0.29	1,511,000	6.14	1,497,470	6.13
\$0.50 - \$0.56	2,719,500	7.13	1,871,102	7.10
\$0.67 - \$0.82	6,521,875	9.17	1,266,649	8.85
	<u>10,752,375</u>	<u>8.23</u>	<u>4,635,221</u>	<u>7.26</u>

The options outstanding as of December 31, 2014 (unaudited), have been separated into exercise price ranges as follows:

<u>Range of exercise price</u>	<u>Options outstanding as of December 31, 2014</u>	<u>Weighted average remaining contractual Life in years</u>	<u>Options exercisable as of December 31, 2014</u>	<u>Weighted average remaining contractual Life in years</u>
	<u>Unaudited</u>		<u>Unaudited</u>	
\$0.29	1,470,500	3.64	1,470,500	3.64
\$0.50 - \$0.56	2,319,000	4.54	2,319,000	4.54
\$0.67 - \$0.82	6,314,354	6.80	4,869,170	6.71
\$1.01 - \$1.32	2,030,000	9.04	470,744	8.87
\$1.67	5,728,508	9.91	113,615	9.84
	<u>17,862,362</u>	<u>7.50</u>	<u>9,243,029</u>	<u>5.82</u>

NOTE 12: — STOCK CAPITAL (Continued)

Options issued to non-employee consultants:

- a. The Company has granted options to purchase common shares to non-employee consultants as of June 30, 2014 as follows:

<u>Issuance Date</u>	<u>Options outstanding as of June 30, 2014</u>	<u>Exercise price</u>	<u>Exercisable as of June 30, 2014</u>	<u>Exercisable Through</u>
July 31, 2008	100,000	\$ 0.29	100,000	July 31, 2018
January 26, 2011	15,000	\$ 0.67	15,000	January 26, 2021
January 26, 2012	100,000	\$ 0.82	83,333	January 26, 2022
October 24, 2012	20,000	\$ 0.82	8,750	October 24, 2022
January 23, 2013	25,000	\$ 1.01	9,896	January 23, 2023
January 27, 2014	15,000	\$ 1.17	417	January 27, 2024
May 1, 2014	18,000	\$ 1.17	—	May 1, 2024
	<u>293,000</u>		<u>217,396</u>	

- b. The Company has granted options to purchase common shares to non-employee consultants as of December 31, 2014 (unaudited) as follows:

<u>Issuance date</u>	<u>Options outstanding as of December 31, 2014</u>	<u>Exercise price</u>	<u>Exercisable as of December 31, 2014</u>	<u>Exercisable Through</u>
	<u>Unaudited</u>		<u>Unaudited</u>	
July 31, 2008	100,000	\$ 0.29	100,000	July 31, 2018
January 26, 2011	15,000	\$ 0.67	15,000	January 26, 2021
January 26, 2012	100,000	\$ 0.82	95,833	January 26, 2022
October 24, 2012	20,000	\$ 0.82	11,250	October 24, 2022
January 23, 2013	25,000	\$ 1.01	13,021	January 23, 2023
January 27, 2014	15,000	\$ 1.17	917	January 27, 2024
May 1, 2014	18,000	\$ 1.17	—	May 1, 2024
September 17, 2014	65,417	\$ 1.32	6,250	September 17, 2024
October 29, 2014	20,000	\$ 1.67	666	October 29, 2024
	<u>378,417</u>		<u>242,937</u>	

The Company had accounted for its options granted to non-employee consultants under the fair value method of ASC 505-50.

In connection with the grant of stock options to non-employee consultants, the Company recorded stock compensation expenses in the years ended June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited) in the amounts of \$70, \$45, \$55, \$27 (unaudited) and \$102 (unaudited), respectively.

Stock-based compensation expense for employees and consultants:

The Company recognized stock-based compensation expenses related to stock options granted to employees and non-employees in the consolidated statement of operations for the years

NOTE 12: — STOCK CAPITAL (Continued)

ended June 30, 2012, 2013 and 2014 and the six months ended December 31, 2013 (unaudited) and 2014 (unaudited), as follows:

	Year ended June 30,			Six months ended December 31,	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
				Unaudited	
Cost of revenues	\$ 99	\$ 88	\$ 108	\$ 47	\$ 113
Research and development	269	381	397	186	266
Selling and marketing	249	317	297	141	254
General and administrative	225	292	280	139	147
Total stock-based compensation expense	<u>\$ 842</u>	<u>\$ 1,078</u>	<u>\$ 1,082</u>	<u>\$ 513</u>	<u>\$ 780</u>

As of June 30, 2014 and December 31, 2014 (unaudited), there was a total unrecognized compensation expense of \$2,277 and \$10,047 (unaudited) related to non-vested equity-based compensation arrangements granted under the Company's Plan, respectively. These expenses are expected to be recognized during the period from July 1, 2014 through June 30, 2019 and October 1, 2014 through October 30, 2019 (unaudited).

NOTE 13: — INCOME TAXES

a. Tax rates in U.S. and Germany:

The Company is subject to U.S. federal tax at the rate of 35% and the Company's German subsidiary is subject to German tax at the rate of 33%.

b. Corporate tax in Israel:

Taxable income of Israeli companies is subject to corporate tax at the rate of 25% in the years ended June 30, 2012 and 2013, and 26.5% in the year ended June 30, 2014 and onwards.

c. Carryforward tax losses:

As of June 30, 2014, the Israeli subsidiary has approximately \$121,000 of Israeli net carryforward tax losses, which has no expiration date.

As of June 30, 2014, the Company has a net carryforward tax losses in the amount of approximately \$141 which can be carried forward and offset against taxable income for 20 years.

d. Deferred income taxes:

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income

NOTE 13: — INCOME TAXES (Continued)

tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows:

	June 30,	
	2013	2014
Assets in respect of:		
Carryforward tax losses(1)	\$ 25,846	\$ 32,203
Research and Development carryforward expenses- temporary differences	3,676	4,310
Other reserves	613	786
	<u>30,135</u>	<u>37,299</u>
Valuation allowance(2)	(30,135)	(37,299)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

(1) See Note 13c.

(2) The Company has provided valuation allowances as of June 30, 2014 and 2013 on deferred tax assets resulting from carryforward tax losses, research and development carryforward expenses and other reserves due to its history of operating losses and current uncertainty concerning the ability to realize these deferred tax assets in the future.

(3) Undistributed earnings of certain subsidiaries as of June 30, 2014 were immaterial. The Company intends to reinvest these earnings indefinitely in the foreign subsidiaries, as such no deferred income taxes have been provided.

e. Loss (income) before taxes is comprised as follows:

	Year ended June 30,	
	2013	2014
Domestic	\$ (500)	\$ (661)
Foreign	28,572	21,819
	<u>\$ 28,072</u>	<u>\$ 21,158</u>

f. Taxes on loss are comprised as follows:

	Year ended June 30,		
	2012	2013	2014
Federal	\$ —	\$ —	\$ 11
State	—	—	89
Foreign	36	108	120
	<u>\$ 36</u>	<u>\$ 108</u>	<u>\$ 220</u>

NOTE 13: — INCOME TAXES (Continued)

g. Reconciliation of theoretical tax expense to actual tax expense:

The differences between the statutory tax rate of the Company and the effective tax rate are primarily accounted for by the non-recognition of tax benefits from accumulated net carryforward tax losses among the Company and various subsidiaries due to uncertainty of the realization of such tax benefits.

A reconciliation between the theoretical tax expense, assuming all income is taxed at the statutory tax rate applicable to income of the Company, and the actual tax expense (benefit) as reported in the consolidated statements of operations is as follows:

	<u>Year ended June 30,</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
Loss before taxes, as reported in the consolidated statements of operations	\$ (27,747)	\$ (28,072)	\$ (21,158)
Statutory tax rate	35	35	35
Theoretical tax benefits on the above amount at the US statutory tax rate	(9,711)	(9,825)	(7,405)
Income tax at rate other than the U.S. statutory tax rate	3,172	2,167	2,007
Impact of Israel corporate tax rate change from 25% to 26.5%	—	—	(2,103)
Tax advances and non-deductible expenses including equity based compensation expenses	218	300	467
Operating losses and other temporary differences for which valuation allowance was provided	6,357	7,466	7,165
State tax	—	—	89
Actual tax expense	<u>\$ 36</u>	<u>\$ 108</u>	<u>\$ 220</u>

h. Tax assessments:

As of June 30, 2014, the Company and certain of its subsidiaries filed for U.S. federal and various state and foreign income tax returns. The statute of limitations relating to the consolidated U.S. federal income tax return is closed for all tax years up to and including 2010.

The statute of limitations related to tax returns of the Company's Israeli subsidiary is closed for all tax years up to and including 2009.

With respect to the Company's German, Chinese, Australian, Canadian and Dutch subsidiaries, the statute of limitations related to its tax returns is open for all tax years since incorporation.

The Company believes that it has adequately provided for any reasonably foreseeable outcome related to tax audits and settlements. The final tax outcome of any Company tax audits could be different from that which is reflected in the Company's income tax provisions and accruals. Such differences could have a material effect on the Company's income tax provision and net loss in the period in which such determination is made.

NOTE 13: — INCOME TAXES (Continued)

i. Tax benefits for Israeli companies under the Law for the Encouragement of Capital Investments, 1959 (the "Investment Law"):

The Israeli subsidiary elected tax year 2012 as a "Year of Election" for "Beneficiary Enterprise" status under the Investment Law, which provides certain benefits, including tax exemptions and reduced tax rates. Income not eligible for Beneficiary Enterprise benefits is taxed at a regular corporate tax rate. Upon meeting the requirements under the Investment Law, income derived from Beneficiary Enterprise from productive activity will be exempt from tax for two years from the year in which the Israeli subsidiary first has taxable income, provided that 12 years have not passed from the beginning of the year of election.

If dividends are distributed out of tax exempt profits, the Israeli subsidiary will then become liable for tax at the rate applicable to its profits from the Beneficiary Enterprise in the year in which the income was earned, as if it had not chosen the alternative track of benefits.

The dividend recipient is subject to withholding tax at the rate of 15% applicable to dividends from Beneficiary enterprises, if the dividend is distributed during the tax benefits period or within twelve years thereafter. This limitation does not apply to a foreign investors' company. The Israeli subsidiary currently has no plans to distribute dividends and intends to retain future earnings to finance the development of its business.

Through June 30, 2014, the Israeli subsidiary had not generated income under the provision of the Investment Law.

In December 2010, the Israeli Parliament passed the Law for Economic Policy for 2011 and 2012 (Amended Legislation), which, among other things, included an amendment to the Investment Law, effective as of January 1, 2011 (the "Amendment"). In accordance with the 2011 Amendment, the benefit tracks under the Investment Law were modified and a uniform tax rate would apply to companies eligible for the "Preferred Enterprise" status (rather than the previous terminology of "Beneficiary Enterprise"). Companies may elect to irrevocably implement the 2011 Amendment (while waiving benefits provided under the Investment Law as then in effect).

On July 30, 2013, the Israeli Parliament passed a law, which, among other things, was designated to amend the uniform tax rates that were set in the 2011 Amendment, and to increase the tax levy for years 2013 and 2014 (the "New Law"). The New Law increases the Israeli corporate tax rate from 25% to 26.5%, cancels the reduction of corporate tax rate for "Preferred Enterprises," which will be set at 16% for 2014 and thereafter under the New Law and increases the tax rate on dividends from sources under the Israeli Investment Law to 20% commencing on January 1, 2014.

The Israeli subsidiary currently does not intend to implement the Amendment.

j. Tax benefits under Israel's Law for Encouragement of Industry (Taxation), 1969:

The Israeli entity is an "industrial company" under the Law for the Encouragement of Industry (Taxation), 1969, and as such is entitled to certain tax benefits, mainly the amortization of costs relating to know-how and patents, over eight years and accelerated depreciation.

The following corporate tax benefits, among others, are available to Industrial Companies:

- amortization of the cost of purchased a patent, rights to use a patent, and know-how, which are used for the development or advancement of the company, over an eight-year period, commencing on the year in which such rights were first exercised;

NOTE 13: — INCOME TAXES (Continued)

- under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and
- expenses related to a public offering are deductible in equal amounts over three years.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon approval of any governmental authority.

There can be no assurance that the Company will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

NOTE 14: — FINANCIAL EXPENSES (INCOME), NET

	Year ended June 30,			Six months ended December 31,	
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
				Unaudited	
Expenses (income) related to hedging transaction	\$ (978)	\$ (207)	\$ 189	\$ 467	\$ (861)
Interest on short- term loan	58	276	537	214	254
Interest and financial expenses related to term loan	—	855	1,453	804	788
Exchange rate loss (income), net, bank charges and other finance expenses	1,207	(312)	608	206	(239)
	<u>\$ 287</u>	<u>\$ 612</u>	<u>\$ 2,787</u>	<u>\$ 1,691</u>	<u>\$ (58)</u>

NOTE 15: — GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

ASC 280 ("Segment Reporting,") establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company manages its business on the basis of one reportable segment, and derives revenues from selling its products (see Note 1 for a brief description of the Company's business).

NOTE 15: — GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA (Continued)

The following is a summary of revenues within geographic areas:

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
				Unaudited	
Revenues based on Customers' location:					
United States	\$ 5,744	\$ 15,334	\$ 64,607	\$ 25,584	\$ 100,865
Germany	3,874	12,692	15,133	7,061	7,380
France	7,932	6,339	4,420	2,041	1,167
Belgium	11,076	4,993	2,203	1,207	609
Greece	11,083	6,232	60	50	127
Europe (*)	19,278	22,803	31,973	14,947	22,178
Rest of the World	16,364	10,642	14,821	7,194	7,933
Total revenues	<u>\$ 75,351</u>	<u>\$ 79,035</u>	<u>\$ 133,217</u>	<u>\$ 58,084</u>	<u>\$ 140,259</u>

(*) Except for Germany, France, Belgium and Greece

Major Customers data as a percentage of total revenues:

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
				Unaudited	
Customer A	11.9%	*)	*)	*)	*)
Customer B	*)	*)	19.1%	14.0%	32.3%

*) Less than 10%.

The following is a summary of revenues by product family:

	Year ended June 30,			Six months ended December 31,	
	2012	2013	2014	2013	2014
				Unaudited	
Inverters	\$ 34,396	\$ 35,422	\$ 62,085	\$ 26,599	\$ 68,741
Optimizers	37,837	38,337	65,018	27,915	67,674
Others	3,118	5,276	6,114	3,570	3,844
Total revenues	<u>\$ 75,351</u>	<u>\$ 79,035</u>	<u>\$ 133,217</u>	<u>\$ 58,084</u>	<u>\$ 140,259</u>

NOTE 15: — GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA (Continued)

Long-lived assets by geographic region:

	Year ended June 30,		Six months ended December 31,
	2013	2014	2014 Unaudited
Israel	\$ 4,050	\$ 5,025	\$ 7,008
Europe	199	211	212
U.S.	88	112	131
Other	2	3	6
Total long-lived assets*	\$ 4,339	\$ 5,351	\$ 7,357

* Long-lived assets are comprised of property and equipment, net (long term lease deposits and severance pay fund are not included).

NOTE 16: — SUBSEQUENT EVENTS

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of consolidated financial statements to identify matters that require additional disclosure. For its consolidated financial statements as of June 30, 2014 and for the year then ended, the Company evaluated subsequent events through November 5, 2014, the date that the consolidated financial statements were issued. For the interim consolidated financial statements as of December 31, 2014 (unaudited) and for the six months then ended (unaudited), the Company evaluated subsequent events through February 6, 2015, the date that the interim consolidated financial statements were issued. Except as described below, the Company has concluded that no subsequent event has occurred that requires disclosure.

- a. Following the lawsuit filed by Appletech Ltd. in the Tel Aviv-Jaffa court, the parties agreed to a summary judgment proceeding which was held in July 2014. On July 24, 2014, the judge ruled that the Company is to pay NIS 1,725,000 to Appletech within 45 days of the judgment (see also Note 10f).
- b. In September 2014, the Company entered into a stock purchase agreement with new investors, pursuant to which the Company issued 9,321,021 shares of the Company's Series E Convertible Preferred stock for cash consideration of \$25,000, which was received by the end of October 2014.
- c. In September 2014, the Company increased the number of shares of Common stock reserved for issuance under the 2007 Global Incentive Plan by an aggregate of 6,057,116.
- d. In January 2015, the Company increased the number of shares of Common stock reserved for issuance under the 2007 Global Incentive Plan by an aggregate of 1,165,879.
- e. In January 2015, the Company fully settled the amount borrowed from Kreos under the Term Loan.
- f. On January 9, 2015, a patent infringement lawsuit was filed by Beacon Power, LLC ("Beacon") against the Company and ImagineSolar LLC in the United States District Court for the Western District of Texas, San Antonio Division which alleges infringement by the Company of two U.S. patents. In the complaint, Beacon seeks an injunction, treble damages, and attorneys' fees.

NOTE 16: — SUBSEQUENT EVENTS (Continued)

The amount of the claim is unspecified. The Company has filed a defense and counterclaim, and intends to vigorously defend the litigation. The proceedings are in the initial stages and there has been no discovery. Accordingly, the Company is not in a position to assess whether any loss or adverse effect on its financial condition is probable or, remote or to estimate the range of potential loss, if any.

Shares

SolarEdge Technologies, Inc.

Common Stock



Goldman, Sachs & Co.

Deutsche Bank Securities

Needham & Company

Canaccord Genuity

Roth Capital Partners

Through and including (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth all expenses to be paid by the registrant, other than estimated underwriting discounts and commissions, in connection with this offering. All expenses will be borne by the registrant. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the NASDAQ Global Market listing fee.

	Amount to be Paid
SEC Registration Fee	\$ *
FINRA filing fee	*
NASDAQ Global Market listing fee	*
Printing	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses (including related legal fees)	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total:	<u>\$ *</u>

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law ("DGCL"), authorizes a corporation's Board of Directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents. As permitted by Section 102(b)(7) of the DGCL, the registrant's certificate of incorporation to be in effect upon the closing of this offering includes provisions that eliminate the personal liability of its directors and officers for monetary damages for breach of their fiduciary duty as directors and officers, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions or (iv) for any transaction from which the director derived an improper personal benefit.

In addition, as permitted by Section 145 of the DGCL, the by-laws of the registrant provide that:

- The registrant shall indemnify its directors and officers for serving the registrant in those capacities or for serving other business enterprises at the registrant's request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- The registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.

- The registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- The registrant is not obligated pursuant to the by-laws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by the registrant's Board of Directors or brought to enforce a right to indemnification.
- The rights conferred in the by-laws are not exclusive, and the registrant is authorized to enter into indemnification agreements with its directors, officers, employees and agents and to obtain insurance to indemnify such persons.
- The registrant may not retroactively amend the by-law provisions to reduce its indemnification obligations to directors, officers, employees and agents.

The registrant also maintains directors' and officers' insurance to insure such persons against certain liabilities.

These indemnification provisions may be sufficiently broad to permit indemnification of the registrant's officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

Item 15. Recent Sales of Unregistered Securities.

Since July 1, 2011, we have sold the following of our securities to the following entities and individuals as at the times set forth below. No underwriters were involved in the sales and certificates representing the securities sold and issued contain legends restricting transfer of the securities without registration under the Securities Act or an applicable exemption from registration.

In October 2011, the registrant issued and sold 16,024,251 shares of its Series D Preferred Stock to 17 accredited investors for aggregate proceeds of \$37,000,000.

In December 2012, the registrant issued and sold 2,165,441 shares of its Series D-1 Preferred Stock to 17 accredited investors for aggregate proceeds of \$5,000,000.

In December 2012, the registrant issued a warrant to purchase 563,014 shares of its Series D-1 Preferred Stock to Kreos in connection with the term loan.

In July 2013, the registrant issued and sold 2,598,528 shares of its Series D-2 Preferred Stock to 17 accredited investors for aggregate proceeds of \$6,000,000.

In May 2014, the registrant issued and sold 4,330,872 shares of its Series D-3 Preferred Stock to 17 accredited investors for aggregate proceeds of \$10,000,000.

In September-October 2014, the registrant issued and sold 9,321,021 shares of its Series E Preferred Stock to 8 accredited investors for aggregate proceeds of \$25,000,000.

From July 2011 through January 2015, the registrant granted to employees, consultants and executives under the registrant's 2007 Global Incentive Plan options to purchase an aggregate of 13,169,758 shares of its common stock at exercise prices ranging from \$0.67 to \$3.12 per share.

The issuances of these securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act as transactions not involving a public offering or Rule 701 thereunder.

Item 16. Exhibits and Financial Statement Schedules.

See the Exhibit Index immediately following the signature page hereto, which is incorporated by reference as if fully set forth herein.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, SolarEdge Technologies, Inc. has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York on February 18, 2015.

SOLAREEDGE TECHNOLOGIES, INC.

By: /s/ GUY SELLA

Name: Guy Sella
Title: Chief Executive Officer and Chairman

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Guy Sella, Ronen Faier and Rachel Prishkolnik, and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign in any and all capacities (including the capacities listed below), the registration statement, any and all amendments (including post-effective amendments) to the registration statement and any and all successor registration statements of SolarEdge Technologies, Inc., including any filings pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and anything necessary to be done to enable SolarEdge Technologies, Inc. to comply with the provisions of the Securities Act and all the requirements of the Securities and Exchange Commission, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute, or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated below.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ GUY SELLA</u> Guy Sella	Chief Executive Officer and Chairman (Principal Executive Officer)	February 18, 2015
<u>/s/ RONEN FAIER</u> Ronen Faier	Chief Financial Officer (Principal Financial and Accounting Officer)	February 18, 2015
<u>/s/ DAN AVIDA</u> Dan Avida	Director	February 18, 2015

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ YONI CHEIFETZ</u>		
Yoni Cheifetz	Director	February 18, 2015
<u>/s/ CHESTER A. FARRIS</u>		
Chester A. Farris	Director	February 18, 2015
<u>/s/ GARY GANNOT</u>		
Gary Gannot	Director	February 18, 2015
<u>/s/ RONI HEFETZ</u>		
Roni Hefetz	Director	February 18, 2015
<u>/s/ DORON INBAR</u>		
Doron Inbar	Director	February 18, 2015
<u>/s/ AVERY MORE</u>		
Avery More	Director	February 18, 2015
<u>/s/ DROR NAHUMI</u>		
Dror Nahumi	Director	February 18, 2015
<u>/s/ YORAM ORON</u>		
Yoram Oron	Director	February 18, 2015
<u>/s/ BILL HALLISEY</u>		
Bill Hallisey	Director	February 18, 2015

EXHIBIT INDEX**Item 16. Exhibits**

<u>Exhibit Number</u>	<u>Document</u>
1.1*	Form of Underwriting Agreement
3.1*	Amended and Restated Certificate of Incorporation
3.2*	Amended and Restated By-Laws
4.1*	Specimen Common Stock Certificate of the Registrant
4.2	Fifth Amended and Restated Investors' Rights Agreement, dated as of September 17, 2014, among SolarEdge Technologies, Inc. and the investors party thereto
4.3	Warrant to Purchase Shares of SolarEdge Technologies, Inc., dated December 28, 2012.
5.1*	Opinion of Gibson, Dunn & Crutcher LLP
10.1*	Amended and Restated Loan and Security Agreement, dated as of January 8, 2013, among Silicon Valley Bank, SolarEdge Technologies Ltd., SolarEdge Technologies, Inc. and SolarEdge Technologies GmbH
10.2*	First Amendment, dated April 30, 2013, to Amended and Restated Loan and Security Agreement, among Silicon Valley Bank, SolarEdge Technologies Ltd., SolarEdge Technologies, Inc. and SolarEdge Technologies GmbH
10.3*	Second Amendment, dated June 30, 2013, to Amended and Restated Loan and Security Agreement, among Silicon Valley Bank, SolarEdge Technologies Ltd., SolarEdge Technologies, Inc. and SolarEdge Technologies GmbH
10.4*	Third Amendment, dated February 27, 2014, to Amended and Restated Loan and Security Agreement, among Silicon Valley Bank, SolarEdge Technologies Ltd., SolarEdge Technologies, Inc. and SolarEdge Technologies GmbH
10.5*#	Employment Agreement, dated August 26, 2007, between SolarEdge Technologies, Inc. and Guy Sella
10.6*#	Employment Agreement, dated December 1, 2010, between SolarEdge Technologies, Inc. and Ronen Faier
10.7*#	Employment Agreement, dated May 17, 2009, between SolarEdge Technologies, Inc. and Zvi Lando
10.8#	SolarEdge Technologies, Inc. 2007 Global Incentive Plan
10.9*#	SolarEdge Technologies, Inc. 2015 Global Incentive Plan
10.10†	Manufacturing Services Agreement, dated February 14, 2010 between Flextronics (Israel) Ltd. and SolarEdge Technologies Ltd.
10.11†	Interim Agreement, dated April 7, 2013 among Flextronics Industrial Ltd., Flextronics (Israel) Ltd. and SolarEdge Technologies Ltd.
10.12†	Manufacturing Services Agreement dated June 9, 2011 between Jabil Circuit, Inc. and SolarEdge Technologies, Inc.
21.1*	List of Subsidiaries of the Registrant

**Exhibit
Number**

Document

23.1	Consent of Kost Forer Gabbay & Kasierer, independent registered public accounting firm
23.2*	Consent of Gibson Dunn & Crutcher LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included in signature page)

* To be included by amendment.

Indicates management contract or compensatory plan.

† Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

SOLAREEDGE TECHNOLOGIES, INC.

FIFTH AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

Dated: September 17, 2014

1.	REGISTRATION RIGHTS	1
1.1	Definitions	1
1.2	Request for Registration	2
1.3	Company Registration	4
1.4	Obligations of the Company	4
1.5	Furnish Information	6
1.6	Expenses of Demand Registration	6
1.7	Expenses of Company Registration	6
1.8	Underwriting Requirements	7
1.9	Delay of Registration	7
1.10	Indemnification	7
1.11	Reports Under the 1934 Act	10
1.12	Form S-3 Registration	10
1.13	Assignment of Registration Rights	11
1.14	Limitations on Subsequent Registration Rights	12
1.15	"Market Stand-Off" Agreement	12
1.16	Termination of Registration Rights	13
2.	COVENANTS OF THE COMPANY	13
2.1	Delivery of Financial Statements	13
2.2	Inspection Rights	14
2.3	Confidentiality	14
2.4	Termination of Information Covenants	14
2.5	Right of First Offer	14
2.6	Common Stock and Stock Option Vesting	15
2.7	Insurance	16
2.8	Management of Subsidiaries	16
2.9	Foreign Corrupt Practices Act	16
2.10	Right to Conduct Activities	17
2.11	Termination	17
3.	MISCELLANEOUS	17
3.1	Successors and Assigns	17
3.2	Governing Law	17
3.3	Counterparts	17
3.4	Titles and Subtitles	17
3.5	Notices	17
3.6	Expenses	18
3.7	Amendments and Waivers	18
3.8	Severability	18
3.9	Delays or Omissions	18
3.10	Aggregation of Stock	18
3.11	Entire Agreement	18

SOLAREEDGE TECHNOLOGIES, INC.
FIFTH AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

THIS FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "**Agreement**") is made as of the 17th day of September, 2014, by and among SolarEdge Technologies, Inc., a Delaware corporation (the "**Company**"), the Founders (as defined below) and the investors listed on Exhibit A hereto (the "**Investors**").

RECITALS

WHEREAS, the Company, the Founders and certain of the Investors are parties to that certain Fourth Amended and Restated Investors' Rights Agreement dated as of October 18, 2011 (the "**Prior Agreement**"), which provides that such Prior Agreement may be amended, and the observance of any

provision thereof may be waived, with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding (as defined therein); and

WHEREAS, the Company, the Founders and certain of the Investors, constituting such majority of the Registrable Securities, desire to amend and restate the Prior Agreement in its entirety with this Agreement;

WHEREAS, the Company, NWC SolarEdge Holdings, LLC (“**NewWorld**”), and DEP SE, L.P. are parties to that certain Series E Preferred Stock Purchase Agreement of even date herewith (the “**Purchase Agreement**”); and

WHEREAS, in order to induce the Company to enter into the Purchase Agreement and to induce certain of the Investors to purchase shares of Series E Preferred Stock of the Company pursuant to the Purchase Agreement, the Investors, the Founders and the Company hereby agree that this Agreement shall govern the rights of the Investors and the Founders to cause the Company to register shares of Common Stock issued or issuable to the Investors and the Founders and certain other matters as set forth herein.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Section 1:

(a) The term “**Act**” means the Securities Act of 1933, as amended.

(b) The term “**Form S-3**” means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(c) The term “**Founders**” means Guy Sella, Lior Handelsman, Yoav Galin, Meir Adest and Amir Fishelov.

(d) The term “**Holder**” means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.13 hereof.

(e) The term “**1934 Act**” shall mean the Securities Exchange Act of 1934, as amended.

(f) The term “**Common Stock**” shall mean outstanding shares of the Company’s common stock.

(g) “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(h) The term “**Preferred Stock**” shall mean outstanding shares of the Company’s Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series D-1 Preferred Stock, Series D-2 Preferred Stock Preferred Stock, Series D-3 Preferred Stock and Series E Preferred Stock.

(i) The term “**register**,” “**registered**” and “**registration**” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) The term “**Registrable Securities**” means: (i) any Common Stock issuable or issued upon conversion of the Preferred Stock of the Company held by the Investors or their permitted assigns; (ii) any Common Stock held by the Founders as of the date of this Agreement; (iii) any Common Stock held by ORR Partners I, L.P. and its affiliates (“**ORR**”) as of the date of this Agreement; (iv) any Common Stock that any holder of Preferred Stock may hereinafter purchase pursuant to its Right of First Offer, Right of First Refusal or otherwise; and (v) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, such Preferred Stock or Common Stock referenced in (i), (ii), (iii) and (iv) above, excluding, however, any Registrable Securities sold by a person in a transaction in which such person’s rights under this Section 1 are not assigned.

(k) The number of shares of “**Registrable Securities then outstanding**” shall mean the number of shares of Common Stock that are Registrable Securities and (i) are then issued and outstanding or (ii) are then issuable pursuant to the exercise or conversion of then outstanding and then exercisable options, warrants or convertible securities.

(l) The term “**SEC**” shall mean the Securities and Exchange Commission.

1.2 Request for Registration.

(a) If the Company shall receive at any time subsequent to the earlier of: (i) September 1, 2016 and (ii) six (6) months following the Company’s first firm commitment underwritten public offering of its shares of Common Stock, a written request from the Holders of not less than thirty percent (30%) of the Registrable Securities then outstanding, that the Company file a registration statement under the Act covering the registration of Registrable Securities having an aggregate offering price to the public of at least Ten Million Dollars (\$10,000,000), then the Company shall:

(i) within twenty (20) days of the receipt thereof, give written notice of such request to all Holders; and

(ii) use its commercially reasonable efforts to effect as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered, subject to the limitations of subsection 1.2(b).

(b) If the Holders initiating the registration request hereunder (the “**Initiating Holders**”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to

subsection 1.2(a) and the Company shall include such information in the written notice referred to in subsection 1.2(a)(i). The underwriter will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in subsection 1.4(e)) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company and the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among all Holders thereof, including the Initiating Holders, in proportion (as nearly as practicable) to the amount of Registrable Securities of the Company owned by each Holder; *provided, however*, that no Registrable Securities of a Founder or Common Stock of ORR shall be included if any Registrable Securities of an Investor are excluded, and *provided further* that the number of shares of Registrable Securities held by Holders to be included in such underwriting shall not be reduced unless all securities other than Registrable Securities are first entirely excluded from the underwriting.

(c) Notwithstanding the foregoing, if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed, the Company shall have the right to defer taking action with respect to such filing for a period not to exceed ninety (90) days after receipt of the request of the Initiating Holders; *provided, however*, that the Company may not utilize this

right more than once in any twelve-month period and *provided further*, that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

(d) In addition, the Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to this Section 1.2:

(i) After the Company has effected two (2) registrations pursuant to this Section 1.2 and such registrations have been declared or ordered effective;

(ii) During the period starting with the date ninety (90) days prior to the Company's good faith estimate of the date of filing of, and ending on a date one hundred and eighty (180) days after the effective date of a registration subject to Section 1.3 hereof; *provided* that the Company is actively employing in good faith reasonable efforts to cause such registration statement to become effective and the Company delivers notice of such intent to the Initiating Holders within thirty (30) days of the registration request; or

(iii) If the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Section 1.12 below.

1.3 Company Registration. If (but without any obligation to do so) the Company proposes to register for its own account any of its capital stock or other securities under the Act in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company stock plan, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered or a SEC Rule 145 transaction), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 3.5, the Company shall, subject to the provisions of Section 1.8, use its commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

1.4 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement

to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days.

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement.

(c) Promptly notify the Holders of the effectiveness of such registration statement and furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus and any supplement to the prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request to facilitate the disposition of Registrable Securities owned by them.

(d) Following the effective date of such registration statement, notify the Holders of any request by the SEC that the Company amend or supplement such registration statement, or the associated prospectus.

(e) Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; *provided* that the Company shall not be required in connection

therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already qualified to do business or subject to service of process in that jurisdiction.

(f) In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(g) Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company will use reasonable efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(h) Cause all such Registrable Securities registered hereunder to be listed on each national securities exchange or trading system on which similar securities issued by the Company are then listed.

(i) Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

(j) Furnish, at the request of Holders of a majority of the Registrable Securities requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a “cold comfort” letter from the independent auditors of the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering.

(k) Make generally available to its security holders, and deliver to each Holder participating in the registration statement, an earnings statement of the Company that will satisfy the provisions of Section 11(a) of the Act covering a period of 12 months beginning after the effective date of such registration statement as soon as reasonably practicable after the termination of such 12-month period.

1.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder’s Registrable Securities.

1.6 Expenses of Demand Registration. All expenses (other than underwriting discounts and commissions and stock transfer taxes) incurred in connection with registrations, filings or qualifications pursuant to Section 1.2, including (without limitation) all registration, filing and qualification fees, printers’ and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and expenses of one special counsel for the selling stockholders (not to exceed Thirty-Five Thousand U.S. Dollars (U.S. \$35,000) per registration) shall be borne by the Company; *provided, however,* that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; *provided, however,* that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 1.2.

1.7 Expenses of Company Registration. The Company shall bear and pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registrations pursuant to Section 1.3 for each Holder (which right may be assigned as provided in Section 1.13), including (without limitation) all registration, filings and qualification fees, printers’ and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and expenses of one special counsel for the selling stockholders (not to exceed Thirty-Five Thousand U.S. Dollars (U.S. \$35,000) per registration) but excluding underwriting discounts and commissions and stock transfer taxes.

1.8 Underwriting Requirements. If a registration statement for which the Company gives notice pursuant to Section 1.3 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any Holder’s Registrable Securities to be included in a registration pursuant to Section 1.3 shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares (including Registrable Securities) from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated first, to the Company, and second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based upon the total number of Registrable Securities then held by each such Holder; *provided, however,* that no exclusion of such Holders’ Registrable Securities shall be made unless all other stockholders’ securities are first excluded and *provided further* that no Registrable Securities of a Founder or Common Stock of ORR shall be included if any Registrable Securities of an Investor are excluded, and *provided further* that in any underwriting that is not in connection with the initial public offering of the Company’s Common Stock the number of shares of Registrable Securities included in such offering shall not be reduced below twenty-five percent (25%) of the total number of securities included in such offering. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter, delivered at least twenty (20) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, retired partners and stockholders of such Holder, or the estates and family members of any such partners, stockholders and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single “Holder,” and any pro rata reduction

with respect to such “Holder” shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such “Holder,” as defined in this sentence.

1.9 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.10 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, managers, officers, directors, stockholders and affiliates of each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a “**Violation**”): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or in any free writing prospectus, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities law or any rule or regulation promulgated under the Act, the 1934 Act or any state securities law; and the Company will pay to each such Holder, underwriter, controlling person or other aforementioned person any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this subsection 1.10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will pay any legal or other expenses reasonably incurred by any person intended to be indemnified pursuant to this subsection 1.10(b), in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the indemnity agreement contained in this subsection 1.10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; *provided, further*, that in no event shall any indemnity under

this subsection 1.10(b), together with any contribution under Subsection 1.10(d), exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.10 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.10, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; *provided, however*, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, to the extent prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.10, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.10.

(d) If the indemnification provided for in this Section 1.10 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations; *provided, however*, that no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 1.10(b), shall exceed the net proceeds from the offering received by such Holder. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control; *provided, however*, that the failure of the underwriting agreement to provide for or address a matter provided for or addressed by the foregoing provisions shall not be a conflict and, in such event, the foregoing provisions shall control as to such matter.

(f) The obligations of the Company and Holders under this Section 1.10 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise, and, with respect to liability arising from an offering to which this Section 1.10 would apply that is covered by a registration filed before termination of this Agreement, such termination.

1.11 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

- (a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the first registration statement filed by the Company for the offering of its securities to the general public;
- (b) take such action, including the voluntary registration of its Common Stock under Section 12 of the 1934 Act, as is necessary to enable the Holders to utilize Form S-3 for the sale of their Registrable Securities;
- (c) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and
- (d) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents filed under the 1934 Act by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.12 Form S-3 Registration. If the Company shall receive from any Holders of the Registrable Securities a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company will:

- (a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and
- (b) use its commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice

from the Company; *provided, however*, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.12: (i) if Form S-3 is not available for such offering by the Holders; (ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than Two Million Dollars (\$2,000,000); (iii) if the Company shall furnish to the Holders a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such Form S-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period not to exceed ninety (90) days after receipt of the request of the Holder or Holders under this Section 1.12; *provided, however*, that the Company shall not utilize this right more than once in any twelve month period and *provided further*, that the Company shall not register any securities for the account of itself or any other stockholder during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered); (iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected one (1) registration pursuant to this Section 1.12; or (v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(c) If the Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.12 and the Company shall include such information in the written notice referred to in Section 1.12(a). The provisions of Section 1.2(b) shall be applicable to such request (with the substitution of Section 1.12 for references to Section 1.2).

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. All expenses incurred in connection with all registrations requested pursuant to Section 1.12, including (without limitation) all registration, filing, qualification, printers' and accounting fees and the reasonable fees and disbursements of one special counsel for the selling stockholders (not to exceed Thirty-Five Thousand U.S. Dollars (U.S. \$35,000) per registration), but excluding any underwriters' discounts or commissions and stock transfer taxes, shall be borne by the Company. Registrations effected pursuant to this Section 1.12 shall not be counted as registrations effected pursuant to Sections 1.2 or 1.3.

1.13 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities provided:

(a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 1.15 below; (c) the transfer involves a transfer of at least one million (1,000,000) shares of Registrable Securities (as adjusted for any stock dividends, combinations, splits or the like with respect to such shares) or all of the Registrable Securities held by such Holder if less; *provided, however*, that transfers or assignments to affiliated venture funds (including funds under common investment management), partners, limited partners, retired partners, stockholders, members and retired members, parents, children, spouses, trusts or affiliates of a Holder ("**Permitted Transferees**") shall be without restriction as to the minimum number of shares to be transferred; and (d) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

1.14 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any registration filed under Section 1.2, 1.3 or 1.12 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such holder's securities will not reduce the amount of the Registrable Securities of the Holders that is included or (b) to make a demand registration.

1.15 "Market Stand-Off" Agreement. Each Founder and each Investor hereby agrees that, during the period of duration specified by the Company and an underwriter of Common Stock or other securities of the Company, following the effective date of the registration statement of the Company filed under the Act in connection with the initial firm commitment underwritten public offering of its securities, it shall not, to the extent requested by the Company and such underwriter, directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any securities of the Company during such period except Common Stock included in such registration; *provided, however*, that:

(a) all then executive officers, directors, Founders and employee-holders of at least one percent (1%) of the outstanding capital stock of the Company enter into similar agreements; and

(b) such market stand-off time period shall not exceed one hundred eighty (180) days; *provided however* that such time period may be extended to no more than two hundred thirteen (213) days following the effective date of such registration statement as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto.

Each Founder and each Investor hereby agrees that it will enter into the underwriter's standard lock-up agreement consistent with the restrictions set forth in this Section 1.15. In addition, in order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Investor and each Founder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

Notwithstanding the foregoing, the obligations described in this Section 1.15 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to an SEC Rule 145 transaction.

1.16 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 1 after the earlier of:

(a) five (5) years following the consummation of the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the initial firm commitment underwritten offering of its securities to the general public (the "**IPO**"), or

(b) as to any Holder, such time following the IPO as all Registrable Securities held by such Holder (together with any affiliates of such Holder with whom such Holder must aggregate its sales under SEC Rule 144) can be sold in any three (3) month period without registration under SEC Rule 144 where such Holder (together with all its affiliates) owns less than 1% of the Company's Common Stock (calculated on an as-converted basis).

2. Covenants of the Company.

2.1 Delivery of Financial Statements. The Company shall deliver to each Investor, for so long as such Investor (together with its affiliates) holds at least 1,342,474 shares of Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations, reclassifications, combinations and the like) (a "**Major Investor**"):

(a) as soon as practicable (but no later than seventy-five (75) days) after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company as of the end of such year, a statement of stockholder's equity as of the end of such year and a statement of cash flows for such fiscal year, such year-end financial reports to be in reasonable detail, prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**") on an consolidated basis and audited and certified by independent public accountants of nationally recognized standing selected by the Company;

(b) as soon as practicable (but no later than forty-five (45) days) after the end of each fiscal quarter of the Company, an unaudited income statement, balance sheet and statement of cash flows for and as of the end of such quarter, such unaudited financial statements to be in reasonable detail and on a consolidated basis;

(c) as soon as practicable, but in any event at least thirty (30) days prior to the end of each fiscal year, an annual operating plan, prepared on a monthly basis, for the next fiscal year; and

(d) with respect to the financial statements called for in subsections (b) and (c) of this Section 2.1, an instrument executed by the Chief Financial Officer or President of the Company certifying that to his or her knowledge, such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustment.

2.2 Inspection Rights. The Company shall permit each Major Investor, at such Major Investor's expense and upon reasonable notice from such Major Investor, to visit and inspect the Company's properties, to examine its minutes, books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Major Investor; *provided, however*, that the Company shall not be obligated under this Section 2.2 to provide information that it deems in good faith to be a trade secret or similar confidential or proprietary information.

2.3 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 2.3 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 2.3; (iii) to any existing Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

2.4 Termination of Information Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate and be of no further force or effect (i) upon the consummation of an initial public offering of the Company's Common Stock, (ii) upon a "Liquidation Event" (as such term is defined in the Company's then existing Amended and Restated Certificate of Incorporation) or (iii) when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, whichever event shall first occur.

2.5 Right of First Offer. Subject to the terms and conditions specified in this Section 2.5, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 2.5, a Major Investor includes any partners, members, affiliates and affiliated venture funds of such Major Investor.

Each time the Company proposes to offer any shares of, or securities convertible into or exercisable for any shares of, any class of its capital stock (the "**Shares**"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice (the "**Notice**") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, and (iii) the price, terms and the identity of the third party offeror, if any, upon which it proposes to offer such Shares.

(b) Within twenty (20) calendar days after giving of the Notice, each Major Investor may elect to purchase or obtain, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the proportion that the number of shares of Common Stock issued or issuable upon conversion of shares of Preferred Stock of the Company then held by such Major Investor, plus any other shares of capital stock of the Company then held by such Major Investor, bears to the total number of shares of Common Stock then outstanding (assuming full conversion of all outstanding convertible securities). The Company shall promptly, in writing, inform each Major Investor that elects to purchase all the shares available to it under this Section 2.5 (each, a "**Fully-Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10)-day period commencing after receipt of such information, each Fully-Exercising Investor shall be entitled to obtain that portion of the Shares for which Major Investors were entitled to subscribe but which were not subscribed for by the Major Investors that is equal to the proportion that the number of shares of Common Stock issued upon conversion of shares of Preferred Stock of the Company then held, or issuable upon conversion of all Preferred Stock then held, by such Fully-Exercising Investor bears to the total number of shares of Common Stock then issued and held, or issuable upon conversion of the Preferred Stock then held, by all Fully-Exercising Investors who wish to purchase some of the unsubscribed shares.

(c) The Company may, during the ninety (90) day period following the expiration of the periods provided in subsection 2.5(b) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within ninety (90) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Investors in accordance herewith.

(d) The right of first offer in this Section 2.5 shall not be applicable to shares of Common Stock exempted from the definition of "Additional Shares of

Common Stock" in the Company's then-existing Amended and Restated Certificate of Incorporation.

(e) The right of first offer set forth in this Section 2.5 may not be assigned or transferred, except that such right is assignable by each Investor to any wholly owned subsidiary or parent of, or to any corporation or entity that is, within the meaning of the Act, controlling, controlled by or under common control with, any such Investor or to any Permitted Transferees of such Investor.

(f) The right of first offer set forth in this Section 2.5 shall lapse upon the earliest to occur of (i) an initial public offering of the Company's Common Stock; and (ii) a Liquidation Event.

2.6 Common Stock and Stock Option Vesting. Unless otherwise unanimously approved by the Board of Directors or a committee of the Board of Directors with authority regarding the issuance of stock options and other stock equivalents, all stock options and other stock equivalents issued on or after the date of this Agreement to employees of the Company or a subsidiary of the Company shall be subject to vesting as follows: (a) twenty-five percent (25%) of such stock shall vest at the end of the first year following the earlier of the date of issuance or such person's services commencement date with the Company, and (b) seventy-five percent (75%) of such stock shall vest over the remaining three (3) years in equal increments on a monthly basis.

2.7 Insurance. The Company shall maintain (for so long as the Investors are entitled to designate at least one director and for seven years thereafter), directors and officers insurance in an amount of at least Four Million Dollars (\$4,000,000).

2.8 Management of Subsidiaries. The Company shall at any time institute and shall keep in place arrangements reasonably satisfactory to the Board of Directors (including the directors elected by the Investors) such that the Company (i) will control the operations of any direct or indirect subsidiary or entity controlled by the Company or any subsidiary or affiliate of the Company (each a "**Group Company**") and (ii) will be permitted to properly consolidate the financial results for each Group Company in consolidated financial statements for the Company prepared under US GAAP. The

composition of the board of directors (or similar governing body) of each other Group Company, whether now in existence or formed in the future, shall be reasonably acceptable to the Company's Board of Directors. Further, the Company shall take all necessary actions to maintain any Group Company, whether in existence on the date hereof or formed after the date hereof, as may be necessary to conduct the business of the Company (together with its subsidiaries), as conducted or as proposed to be conducted. The Company shall cause each Group Company, whether in existence on the date hereof or formed after the date hereof, to comply in all material respects with all applicable laws, rules and regulations. All material aspects of such formation, maintenance and compliance of any Group Company, whether in existence on the date hereof or formed after the date hereof, shall be subject to the review and approval by the Board of Directors of the Company, and the Company shall provide each Major Investor, at the request of such Major Investor, with copies of all material related documents and correspondence.

2.9 Foreign Corrupt Practices Act. Neither the Company nor any of its direct or indirect subsidiaries nor any of its associates, nor any director, officer, agent, employee, consultant, or other person associated with or acting on its behalf (collectively referred to herein as "**personnel**") will make, directly or indirectly, any payment, loan or gift (or any offer, promise or authorization of any such payment, loan or gift) of any money or anything of value to or for the use of: (1) any government official in any jurisdiction; (2) any political party or official thereof or any candidate for political office; or (3) any person under circumstances in which the Company or any of its direct or indirect subsidiaries (as the case may be) or any of their respective personnel knows or has reason to know that all or any portion of such money or thing of value was or will be offered, given or promised, directly or indirectly, to any person named in items (1) and (2) above, for the purpose of:

(a) influencing any act or decision of such official, political party or party official, or candidate for political office in his or its official capacity, inducing such official, political party, party official or candidate for political office to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official or candidate for political office, or securing any improper advantage; or

(b) inducing such official, political party, party official or candidate for political office to use his or its influence with a government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist in obtaining or retaining business for or with, or directing business to, any person.

For purposes of this Section 2.9, the term "**government official**" shall mean any officer or employee of a government or any department, agency or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality thereof, or for or on behalf of any such public international organization; the term also includes an employee of a government-owned or government-controlled commercial enterprise.

The Company shall not, and shall ensure that none of its direct or indirect subsidiaries shall, authorize, offer or make payments directly or indirectly to any government official that would result in a violation of the Foreign Corrupt Practices Act of the United States.

2.10 Right to Conduct Activities. The Company hereby acknowledges that the Investors are investment funds, and as such invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business. Neither the Investors nor their respective partners, affiliates, advisors or affiliated investment funds shall be liable to the Company or any other Group Company for any claim arising out of, or based upon, (i) the investment by an Investor or any affiliated investment fund in any entity competitive to the Company, or (ii) actions taken by any partner, officer, advisor or other representative of an Investor or any of its respective affiliates or advisors to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise; *provided* that the foregoing shall not be deemed to limit the fiduciary duties otherwise owed to the Company by any individual designated a director of the Company or limit any Investor's liability associated with misuse of confidential information.

2.11 Termination. The covenants of the Company set forth in Sections 2.6, 2.7, and 2.8 shall terminate upon a Liquidation Event.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without regard to conflicts of law principles.

3.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on the signature page hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 3.5. If notice is given to the Company, a copy shall also be sent to Company counsel and if notice is given to Investor, a copy shall also be given to Investor Counsel.

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding;

provided however, that any amendment or waiver adversely affecting the Founders in a manner different from the Investors shall also require the written consent of the holders of a majority of the Registrable Securities held by the Founders who continue to provide services to the Company or a subsidiary of the Company at the time of such amendment or waiver, *provided further*, that any amendment or waiver adversely affecting any Investor in a manner different from the other Investors shall also require the written consent of such Investor and *provided further* that, for so long as GPSF holds any shares of the Company's capital stock, any amendment or waiver of Section 2.9 shall also require the written consent of GPSF. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities then outstanding, each Investor, each Founder and each future holder of all such Registrable Securities and the Company.

3.8 Severability. If any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

3.9 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any party's part of any breach, default or noncompliance under this Agreement or any waiver on such party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

3.10 Aggregation of Stock. All shares of Registrable Securities, Preferred Stock or Common Stock held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.11 Entire Agreement. This Agreement is intended to be the sole agreement of the parties as it relates to this subject matter and supersedes all prior agreements, including without limitation the Prior Agreement, which shall be deemed terminated upon the execution of this Agreement by the parties hereto.

[Reminder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

COMPANY:

SOLAREEDGE TECHNOLOGIES, INC.

By: /s/ Guy Sella
Guy Sella
Chief Executive Officer

Address: 6 HeHarash St.
Hod Hasharon, Israel

FOUNDERS:

/s/ Guy Sella
Guy Sella

/s/ Lior Handelsman
Lior Handelsman

/s/ Yoav Galin
Yoav Galin

/s/ Meir Adest
Meir Adest

/s/ Amir Fishelov

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

NWC SOLAREEDGE HOLDINGS, LLC

By: /s/ William Hallisey
Name: William Hallisey
Title: Vice President

Address:
c/o New World Capital Group
527 Madison Avenue, 24th Floor
New York, NY 10022 USA
Attention: Bill Hallisey

DEP SE, L.P.
By: DEP GP, L.P., its general partner
By: DEP, LLC, its general partner

By: /s/ Ivy Dodes
Name: Ivy Dodes
Title: Vice President

Address:
c/o Credit Suisse Securities (USA) LLC
One Madison Avenue
New York, NY 10010 USA
Attention: Ivy B. Dodes

Copy to:
Credit Suisse Securities (USA) LLC
One Madison Avenue
New York, NY 10010 USA
Attention: Legal and Compliance Dept.

And to:
Michael R. Flynn
Norton Rose Fulbright
666 Fifth Avenue
New York, NY 10010 USA

(None of the entities above legal notice by electronic mail.)

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

Kreos Capital IV

By: _____
Name: _____
Title: _____
Address: _____

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

VERTEX III (C.I.) FUND, L.P.
VERTEX III (ISRAEL) FUND, L.P.
VERTEX III (ISRAEL B) FUND, L.P.
VERTEX III (DCM) FUND, L.P.
VERTEX III (C.I.) (G) FUND, L.P.

By: Vertex III Management (C.I.) Ltd.
its General Partner

By:	<u>/s/ Yoram Oron</u>	<u>/s/ Ran Gartenberg</u>
Name:	<u>Yoram Oron</u>	<u>Ran Gartenberg</u>
Title:	<u>Founder & General Partner</u>	<u>General Partner, CFO</u>

QUEST FOR GROWTH N.V.

By: Investment Advisory Program - on behalf of Quest for Growth N.V.

By:	<u>/s/ Yoram Oron</u>	<u>/s/ Ran Gartenberg</u>
Name:	<u>Yoram Oron</u>	<u>Ran Gartenberg</u>
Title:	<u>Founder & General Partner</u>	<u>General Partner, CFO</u>

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

GENESIS PARTNERS III L.P.

By: /s/ Eddy Shalev
EDDY SHALEV

Title: FOUNDER & MANAGING PARTNER

Address: 11 Hamenofim St.
P.O.B. 12866 Herzliya 46733

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

OPUS CAPITAL VENTURE PARTNERS V, L.P.

By: Opus Capital Venture Partners (GP), L.P.,
its General Partner

By: Opus Capital Venture Partners (GPLLC), L.L.C.,
its General Partner

By: /s/ Dan Avida
Dan Avida, General Partner

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

ORR PARTNERS I-S, L.P.

By: ORR Partners I-S GP, LP,
Its General Partner

By: ORR Partners I-S, LLC
Its General Partner

By: /s/ Avery More
Avery More, Manager

Address: 5930 E. Royal Lane #120
Dallas, TX 75230

ORR PARTNERS I, L.P.

By: ORR Partners I GP, LP,
Its General Partner

By: ORR Partners I, LLC
Its General Partner

By: /s/ Avery More
Avery More, Manager

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

**PACVEN WALDEN VENTURES VI, L.P.
PACVEN WALDEN VENTURES
PARALLEL VI, L.P**

By: Pacven Walden Management VI Co.,
Ltd., its General Partner

By: /s/ Andrew Kau

Name: Andrew Kau

Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

**NAZARATHY FAMILY REVOCABLE
TRUST**

By: /s/ Moshe Nazarathy

Name: Prof. Moshe Nazarathy

Title: _____

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

GE VENTURES LIMITED

By: /s/ David Mayhew

Name: David Mayhew

Title: Chief Risk Officer

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

JP ASIA CAPITAL PTE. LTD

By: /s/ Peter Tan

Name: PETER TAN

Title: Managing Partner



IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

LIGHTSPEED VENTURE PARTNERS VIII, L.P.

By: Lightspeed General Partner VIII, L.P., its general partner

By: Lightspeed Ultimate General Partner VIII, Ltd., its general partner

By: /s/ Illegible
Name: _____
Duly Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first above written.

NORWEST VENTURE PARTNERS XI, L.P.

By: Genesis VC Partners XI, LLC, its General Partner

By: /s/ Dror Nahumi
Name: Dror Nahumi
Title: General Partner

EXHIBIT A

Schedule of Investors

Vertex III (C.I.) Fund L.P.
Vertex III (Israel) Fund, L.P.
Vertex III (Israel B) Fund, L.P.
Vertex III (DCM) Fund, L.P.
Vertex III (C.I.) (G) Fund, L.P.
Quest for Growth NV
Genesis Partners III L.P.
Opus Capital Venture Partners V, L.P.
ORR Partners I-S, L.P.
Pacven Walden Ventures VI, L.P.
Pacven Walden Ventures Parallel VI, L.P.
Nazarathy Family Revocable Trust
JP Asia Capital Pte. Ltd
GE Ventures Limited
Lightspeed Venture Partners VIII LP
Norwest Venture Partners XI, L.P.
NWC SolarEdge Holdings, LLC
DEP SE, L.P.

THIS WARRANT AND THE SECURITIES REPRESENTED BY THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISPOSITION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE AFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

WARRANT TO PURCHASE SHARES

of

SOLAREEDGE TECHNOLOGIES, INC.

Issue Date: December 28, 2012

This certifies that, for value received, **KREOS CAPITAL IV (EXPERT FUND) LIMITED**, or its permitted assigns (“**Holder**”) is entitled, subject to the terms set forth herein, to purchase from **SOLAREEDGE TECHNOLOGIES, INC.**, a Delaware corporation (the “**Company**”), the number of Warrant Shares (as defined below) specified herein, upon: (a) surrender of this Warrant; (b) delivery of either (i) Notice of Exercise or (ii) Notice of Cashless Exercise, as applicable, each, substantially in the form annexed hereto, duly completed and executed on behalf of the Holder; and (c) either (i) simultaneous payment therefor of the Exercise Price as set forth in Section 3 below in the event of exercise under Section 6.1.1, or (ii) a calculation of the number of Warrant Shares to be issued in the event of a cashless exercise provided for in Section 6.1.2. The number and Exercise Price of Warrant Shares are subject to adjustment as provided below

This Warrant is issued in connection with that certain Agreement for the Provision of a Loan Facility of up to US\$10,000,000, dated as of December 28, 2012 (the “**Loan Agreement**”).

1. Term of Warrant.

Subject to the terms and conditions set forth herein, this Warrant shall be exercisable, in whole or in part, at any time during the term commencing on the date hereof and ending at the earliest of: (i) 16:00 Israel time on December 28, 2022 (the tenth anniversary of the date hereof); or (ii) twelve (12) months after an initial public offering of the Company’s Common Stock (the “**Common Stock**”) in connection with which all the outstanding shares of Preferred Stock of the Company (the “**Preferred Shares**”) are converted into shares of Common Stock pursuant to the Company’s Certificate of Incorporation, as may be amended from time to time (the “**COI**”) (an “**IPO**”); or (iii) immediately prior to the consummation of a merger, consolidation, or reorganization of the Company with or into, or the sale of all or substantially all the assets or shares of the Company to, any other entity or person, other than a wholly-owned subsidiary of the Company, excluding any transaction in which stockholders of the Company prior to the transaction will hold more than fifty percent (50%) of the voting and economic rights of the surviving entity after the transaction (an “**M&A Transaction**”) and together with an IPO, an “**Exit Event**”) (the “**Term**”), and shall be void thereafter; provided, that, the

Company shall notify the Holder in writing at least 7 days prior to the end of the Term under clauses (i) and (ii) above. If the Company fails to provide the aforementioned notice of expiration, then the Term shall be extended until 14 days after actual notice is provided.

2. Warrant Shares.

The shares issuable to the Holder upon exercise of this Warrant (or any part thereof) (the “**Warrant Shares**”) shall be shares of Series D-1 Preferred Shares of the Company.

3. Exercise Price.

The exercise price per Warrant Share (the “**Exercise Price**”) at which this Warrant may be exercised shall be US\$ 2.309, being the Original Series D Issue Price (as defined in the Company’s COI as in effect on the date hereof) of the Series D- 1 Preferred Shares, subject to adjustment from time to time pursuant to Section 12 hereof. It is agreed that the Warrant Shares issuable upon exercise of this Warrant shall upon their issuance bear identical financial rights (with respect, for example, to liquidation preference, dividend preference and anti-dilution protection) as the other shares of the same class of shares of the Warrant Shares under the COI.[Not relevant]

4. Number of Warrant Shares Available for Purchase.

The Company hereby grants to the Holder a warrant to purchase 563,014 Warrant Shares.

5. Minimum Proceeds.

In the event that (i) the Holder exercises the Warrant Shares in full upon or (if applicable) after an Exit Event; and (ii) the aggregate Fair Market Value (as defined in section 6.1.2 below) of the Warrant Shares so exercised less the exercise price paid thereof (the “**Value**”) is lower than US\$ 750,000 (the “**Minimum Value**”), then the Company shall pay the Holder, in addition to any other amounts due to the Holder under the Loan Agreement, an amount equal to the difference between the Minimum Value and the Value.

6. Exercise of Warrant

6.1. Manner of Exercise.

This Warrant is exercisable by the Holder, in whole or in part, on one or more occasions, at any time and from time to time, during the Term, by the surrender of this Warrant and the applicable Notice of Exercise annexed hereto, duly completed and executed on behalf of the Holder, at the principal office of the Company.

6.1.1. *Exercise for Cash.* To exercise for cash, the Holder shall deliver to the Company, concurrently with the surrender of this Warrant, a check or a wire transfer in immediately available funds for the aggregate Exercise Price for the

Warrant Shares being purchased. Payment of the Exercise Price may be made in Dollars.

6.1.2. *Cashless Exercise.* In lieu of the payment method set forth in Section 6.1.1 above, this Warrant may be exercised by the Holder, in whole or in part, by the surrender of this Warrant and the Notice of Cashless Exercise annexed hereto, duly completed and executed and indicating the number of Warrant Shares with respect to which the Warrant is being exercised, at the principal office of the Company (a “**Cashless Exercise**”). In the event of a Cashless Exercise, the Holder shall exchange the Warrant, or any portion thereof (without payment by the Holder of any cash or other consideration) for that number of Warrant Shares calculated as follows: (a)(i) the number of Warrant Shares with respect to which the Warrant is being exercised (adjusted to the date of calculation, but excluding those Warrant Shares already issued under this Warrant), multiplied by (ii) an amount equal to the Fair Market Value per Warrant Share at the time of such Cashless Exercise minus the Exercise Price (as adjusted to the date of such calculation); divided by (b) the Fair Market Value per Warrant Share. For the purposes of this Warrant, the “**Fair Market Value**” means: (i) in the event of an exercise of this Warrant contingent upon the closing of an IPO, the initial “Price to Public” of one Warrant Share or the Shares of Common Stock issuable upon conversion of such Warrant Share at the closing of such; (ii) in the event of an exercise of this Warrant contingent upon the closing or consummation (as the case may be) of an M&A Transaction, the price per Warrant Share (assuming conversion of the Warrant Shares, adjusted to the date of such calculation, but excluding those shares already issued under the Warrant) as determined in such transaction. If the price per Warrant Share in an M&A Transaction is not determined, then as determined by mutual agreement of the Company and the Holder of this Warrant. If the Holder and the Company cannot mutually agree on the fair market value, such value shall be determined by a reputable independent appraiser selected by the Holder with the consent of the Company (which consent shall not be unreasonably withheld), and whose fees and expenses shall be borne by the Company.

6.2. Conditional Exercise.

In connection with an IPO or an M&A Transaction, as applicable, the exercise of this Warrant may be made conditional upon the closing of such transaction. The Company shall notify the Holder in writing at least 7 days prior to the closing of such transaction and include in such notice the terms of such transaction, and provide the Holder with any material updates and changes to the terms thereof promptly in writing.

6.3. Result of Exercise.

This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, or, if exercised pursuant to Section 6.2 above, immediately prior to the closing (or consummation, as the case may be) of the IPO or M&A Transaction, as applicable, and the person entitled to receive the Warrant Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such shares as of the close of business on such date, or the closing date of such event, as applicable. As promptly as practicable on or after such date and in any event within five (5) days thereafter, at the Holder’s

request, the Company at its expense shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of shares issuable upon such exercise. In the event that this Warrant is exercised in part, the Company at its expense will execute and deliver a new Warrant of like tenor exercisable for the remaining number of Warrant Shares for which this Warrant may then be exercised.

7. No Fractional Shares.

No fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall round down to the nearest whole number the number of shares to be issued and in lieu of such fractional shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

8. Replacement of Warrant.

On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of loss, theft, or destruction, on delivery of an indemnity agreement reasonably satisfactory in form and substance to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant, the Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor and amount.

9. Rights of Stockholders.

Subject to Section 12 of this Warrant, the Holder shall not be entitled to vote or receive dividends or be deemed the holder of Preferred Shares or any other securities of the Company that may at any time be issuable on the exercise hereof for any purpose, until this Warrant or any portion hereof shall have been exercised and the Warrant Shares shall have been issued, as provided herein. Nothing in the foregoing to the contrary, upon exercise of this Warrant, or any portion thereof, the Holder shall be entitled to all rights of a holder of the class of shares constituting the Warrant Shares under the COI, and in addition all rights on the same terms and conditions afforded, by contract or otherwise, to the investors and/or purchasers of such shares in connection with the applicable financing round in which such shares were purchased, as applicable and as of the exercise of the Warrant. The Holder shall join any investors’/stockholders’ rights agreement, stockholders agreement and any other agreement between the Company and the stockholders of the Company, then in effect, and to be deemed a holder thereunder of the class of shares constituting the Warrant Shares, and be afforded the same rights and obligations attached to the shares thereunder. Without derogating from the above, the parties hereby agree that upon exercise of this Warrant, the Warrant Shares purchased by the Holder in any such exercise shall be deemed “Registrable Securities”, and shall have piggyback registration rights and S-3 registration rights provisions *pari passu* with the holders of Preferred Shares.

10. Reservation of Shares.

The Company covenants that during the Term this Warrant is exercisable, the Company will reserve from its authorized and unissued share capital a sufficient number of shares to provide for the issuance of Warrant Shares upon the exercise of this Warrant

and the shares of Common Stock issuable upon conversion of the Warrant Shares (the “**Conversion Shares**”). The Company further covenants that all Warrant Shares and Conversion Shares will be duly authorized, validly issued, fully paid and non-assessable, and will be free from all taxes, liens, and charges in respect of the issue thereof. The Company agrees that its issuance of this Warrant shall constitute full authority to its officers to register the Holder as the owner of Warrant Shares and Conversion Shares, and to execute and issue the necessary certificates for Warrant Shares and Conversion Shares, upon the exercise of this Warrant and the conversion of the Warrant Shares, respectively.

11. Amendments and Waivers.

Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company and the Holder. No waivers of, or exceptions to any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

12. Adjustments.

The Exercise Price and the number and kind of Warrant Shares purchasable hereunder are subject to adjustment from time to time as follows:

12.1. Reclassification, etc.

If the Company at any time while this Warrant, or any portion thereof, remains outstanding and unexpired shall, by reorganization or reclassification of securities or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes (including, without limitation, in case of conversion of all shares of the class as to which purchase rights under this Warrant exist into shares of Common Stock), this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Warrant immediately prior to such reorganization or reclassification or other change and the Exercise Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted such that this Warrant shall be exercisable into, in lieu of the number of Warrant Shares which the Holder would otherwise have been entitled to receive, a number of shares of such other class or classes of shares that would have been subject to receipt by the Holder had the Holder exercised the Warrant immediately before that change. If however (i) the Preferred Share into which this Warrant is exercisable shall at any time be converted into the same or a different number of securities of any other class or classes of securities that are inferior in rights than the Preferred Share (a “**Conversion**”); or (ii) the rights of the Preferred Share into which this Warrant is exercisable are adversely changed (an “**Adverse Change**”), then, without the prior written approval of the Holder, such conversion or change shall not be deemed a reorganization or reclassification of securities for the purposes of this Section 12.1, and this Warrant and the Warrant Shares shall remain unchanged and not be subject to the Conversion or the Adverse Change, as applicable, unless: (A) such conversion or change applies

equally and unconditionally to all the holders of such Preferred Share and securities that are convertible into such Preferred Share; or (B) such conversion or change is subject to and conditional upon the consummation of a Liquidation Event or IPO.

12.2. Split, Subdivision or Combination of Shares.

If the Company at any time while this Warrant, or any portion hereof, remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Warrant exist (including, with respect to a split or subdivision, by way of the issuance of a share dividend or bonus shares), into a different number of securities of the same class, the Exercise Price for such securities shall be proportionately decreased and the number of securities issuable upon exercise proportionately increased in the case of a split or subdivision or the Exercise Price of such securities shall be proportionately increased and the number of securities issuable upon exercise proportionately decreased in the case of a combination.

12.3. Adjustments for Share Dividends or Other Securities or Property.

If, while this Warrant, or any portion hereof, remains outstanding and unexpired, the holders of the securities as to which purchase rights under this Warrant exist at the time shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional shares or other securities or property of the Company by way of dividend or otherwise, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of the security receivable upon the exercise of this Warrant, and without payment of any additional consideration thereof, the amount of such other or additional shares or other securities or property as aforesaid of the Company which such Holder would hold on the date of such exercise had it been the holder of record of the security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional securities available by it as aforesaid during such period, giving effect to all adjustments called for during such period by the provisions of this Section 12.

12.4. Anti-Dilution Adjustment.

If, while this Warrant, or any portion hereof, remains outstanding and unexpired, the Company issues or sells any class or series of securities or any instrument convertible into securities of the Company at a price per share such that the class of Warrant Shares into which this Warrant is exercisable are entitled to an anti-dilution adjustment pursuant to the COI, or if the conversion price of the class of Warrant Shares into which this Warrant is exercisable is otherwise being reduced, then such reduction shall be deemed to apply automatically to the Warrant Shares purchasable by exercising this Warrant, such that upon such exercise, the conversion price of the Warrant Shares shall be that reduced conversion price determined for the class of shares constituting the Warrant Shares.

12.5. Other Events.

If, while this Warrant, or any portion hereof, remains outstanding and unexpired, any other event occurs as to which the provisions of this Section 12 do not strictly apply or if strictly applicable would not fairly protect the purchase rights of the Holder in accordance with the provisions hereof, then the board of directors of the Company shall make an adjustment in the number and class of shares available under the Warrant, the Exercise Price or the application of such provisions, so as to protect such purchase rights as aforesaid. The adjustment shall be such as will give the Holder upon exercise for the same aggregate Exercise Price the total number, class and kind of shares as such Holder would have owned had the Warrant been exercised prior to the event and had the Holder continued to hold such shares until after the event requiring adjustment.

12.6. Certificate as to Adjustments.

Upon the occurrence of each adjustment or readjustment pursuant to this Section 12, the Company shall, upon the written request of the Holder of this Warrant, furnish or cause to be furnished to such Holder a certificate setting forth: (i) such adjustments and readjustments; (ii) the Exercise Price at the time in effect; and (iii) the number of shares and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

12.7. No Impairment.

The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all of the provisions of this Section 12 and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against impairment.

13. Governing Law.

This Warrant and the legal relations between the parties arising hereunder shall be governed by and interpreted in accordance with the laws of the State of Israel without regard to its conflict of law principles. Any dispute arising under or with respect to this Warrant shall be resolved in any court in Israel where such court finds jurisdiction over the parties. Each party irrevocably waives any objection it may have to the venue of any action, suit or proceeding brought in such courts or to the convenience of the forum and each party irrevocably waives the right to proceed in any other jurisdiction. Final judgment in any such action, suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment, a certified or true copy of which shall be conclusive evidence thereof.

14. Successors and Assigns; Transfer.

Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. The Holder may freely assign, distribute or otherwise transfer this Warrant, with respect to all or any portion of the Warrant Shares hereunder together with the Loan Agreement to either a Permitted Transferee of the Holder (as

defined in the Company's Investors Rights Agreement) or to a reputable financial institution, provided the Holder provides a notice thereof to the Company.

15. Investment Representation.

Neither this Warrant nor the Warrant Shares issuable upon the exercise of this Warrant have been registered under the Securities Act, or any other securities laws. The Holder acknowledges by acceptance of the Warrant that (a) it has acquired this Warrant for investment and not with a view to distribution; (b) it has either a pre-existing personal or business relationship with the Company, or its executive officers, or by reason of its business or financial experience, it has the capacity to protect its own interests in connection with the transaction; and (c) it is an accredited investor as that term is defined in Regulation D promulgated under the Securities Act; (d) it is capable of evaluating the merits and risks of the purchase of this Warrant and the Warrant Shares issuable pursuant to the terms of this Warrant; and (e) it is able to bear the economic risk of the purchase of the Warrant Shares issuable on exercise of this Warrant. The Holder agrees that any Warrant Shares issuable upon exercise of this Warrant will be acquired for investment and not with a view to distribution and such Warrant Shares will not be registered under the Securities Act and applicable state securities laws and that such Warrant Shares may have to be held indefinitely unless they are subsequently registered or qualified under the Securities Act and applicable state securities laws, or based on an opinion of counsel reasonably satisfactory to the Company, an exemption from such registration and qualification is available.

16. Representations and Warranties of the Company.

The Company represents and warrants to the Holder as follows as of the date hereof:

- 16.1. This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms.
 - 16.2. The Warrant Shares are duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid and non-assessable and not subject to any preemptive or participation rights.
 - 16.3. The execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise of this Warrant in accordance with the terms hereof will not be, inconsistent with the COI, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and, except for consents that have already been obtained by the Company, do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any federal, state or local government authority or agency or other person.
 - 16.4. All necessary consents of stockholders and other third parties with respect to the issuance of this Warrant and the Warrant Shares upon exercise thereof have been
-

obtained, and the Company has no outstanding issuance obligations, rights of first offer, pre-emptive or participation rights, anti-dilution rights or other similar rights with respect to the issuance of this Warrant and the Warrant Shares upon exercise thereof, or any such rights have been exercised, waived or cancelled.

16.5. Certain Information. The Company agrees to provide the Holder at any time and from time to time with such information as the Holder may reasonably request for purposes of the Holder's compliance with regulatory, accounting and reporting requirements applicable to the Holder. In addition, for as long as this Warrant remains outstanding, the Company shall, at the Holder's request, provide the Holder with (i) the Company's quarterly consolidated financial statements, annual audited financial statements within one hundred and fifty (150) days of year-end, certified by an independent certified public accountant acceptable to the Holder, in the same form and together with holders of Preferred Shares of the Company; and (ii) annual operating budgets and projection within ten (10) days from board of directors' approval, and as revised.

16.6. Expenses. The Company shall pay to the Holder, on the Holder's demand, all expenses incurred by the Holder in connection with any amendment, supplement to, or waiver and/or consent in connection with, this Warrant, or any proposal for such an amendment to be made, initiated or requested by the Company.

17. Survival.

The representations, warranties, covenants and agreements made herein shall survive the execution and delivery of this Warrant.

18. Notices.

All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon delivery to the party to be notified in person, by facsimile (upon confirmation of successful transmission) or by courier service or four days after deposit by registered or certified mail, postage prepaid, addressed as follows:

If to the Company: SolarEdge Technologies Ltd.
6 HeHarash St., P.O.Box 7349, Neve Neeman, Hod Hasharon 45240, Israel

Fax: +972 9 957-6591
For the attention of: General Counsel

If to the Holder: Kreos Capital IV (Expert Fund) Limited.
47 Esplanade, St Helier, Jersey
Fax: +44 1534 889 884
Attn: The Directors

with a copy to:
Kadouch & Co., Law Offices
8 Abba Eban Blvd.

Herzliya 46733, Israel
Fax: +972-9-9525450
Attn: Emmanuel Kadouch, Adv.

19. Delays or Omissions.

Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any Holder, upon any breach or default of the Company under this Warrant, shall impair any such right, power or remedy of such Holder nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Holder of any breach or default under this Warrant, or any waiver on the part of any Holder of any provisions or conditions of this Warrant, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Warrant or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

20. Severability.

In the event that any provision of this Warrant becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Warrant shall continue in full force and effect without said provision, and such provision shall be given effect to the extent legally possible.

21. Titles and Subtitles.

The titles and subtitles used in this Warrant are used for convenience only and are not considered in construing or interpreting this Warrant.

IN WITNESS HEREOF, the parties have executed this Warrant as of December 28, 2012.

SOLAREEDGE TECHNOLOGIES, INC.

KREOS CAPITAL IV (EXPERT FUND) LIMITED

By: /s/ Guy Sella

By: /s/ Illegible

Name: Guy Sella
Title: President

Name:
Title:

NOTICE OF EXERCISE

To: SOLAREEDGE TECHNOLOGIES, INC.

NOTICE OF EXERCISE

1. The undersigned hereby irrevocably elects to purchase Series D-1 Preferred Shares of SOLAREEDGE TECHNOLOGIES, INC. pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full.
2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(Signature)

(Date)

CASHLESS EXERCISE FORM

To: SOLAREEDGE TECHNOLOGIES, INC.

NOTICE OF CASHLESS EXERCISE

1. The undersigned hereby elects to exercise its Cashless Exercise rights, pursuant to Section 6.1.2 of the attached Warrant, with respect to Series D-1 Preferred Shares of SOLAREEDGE TECHNOLOGIES, INC., pursuant to the terms of the Warrant.
2. Please issue a certificate or certificates representing the number of shares issuable after deducting the shares withheld in lieu of payment of the exercise price, in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(Signature)

(Date)

SOLAREEDGE TECHNOLOGIES, INC.

THE 2007 GLOBAL INCENTIVE PLAN

This plan, as amended from time to time, shall be known as the SolarEdge Technologies, Inc. 2007 Global Incentive Plan (the “Plan”).

1. PURPOSE OF THE PLAN

The Plan is intended to provide an incentive to retain, in the employ of the Company (as defined below) and its affiliates, persons of training, experience and ability; to attract new employees, directors, consultants and service providers; to encourage the sense of proprietorship of such persons; and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase stock in the Company.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including the Award Agreement and its appendixes), the following definitions shall apply:

- 2.1 “**Award**” means an Option to purchase common Stock of the Company or Restricted Stock granted to any Participant under the Plan.
- 2.2 “**Award Agreement**” means the stock award agreement between the Company and a Participant that evidences and sets out the terms and conditions of an Award.
- 2.3 “**Board**” means the Board of Directors of the Company.
- 2.4 “**Cause**” means (i) conviction of any felony involving moral turpitude or affecting the Company or its affiliates; (ii) embezzlement of funds of the Company or its affiliates; (iii) any breach of the Participant’s fiduciary duties or duties of care of the Company or its affiliates; including without limitation disclosure of confidential information of the Company or its affiliates; and (iv) any intentional misconduct (other than conduct in good faith) reasonably determined by the Board to be materially detrimental to the Company or its affiliates.
- 2.5 “**Chairman**” means the Chairman of the Committee.
- 2.6 “**Committee**” means a stock compensation committee of the Board, designated from time to time by the resolution of the Board, which shall consist of no fewer than two members of the Board.
- 2.7 “**Company**” means SolarEdge Technologies, Inc., a Delaware corporation.
- 2.8 “**Date of Grant**” means the date determined by the Board or authorized Committee as set forth in the Award Agreement.
- 2.9 “**Employee**” means a person who is employed by the Company or any affiliate.
-
- 2.10 “**Expiration Date**” means the date upon which an Award shall expire, as set forth in Section 8.2 of the Plan.
- 2.11 “**Fair Market Value**” means as of any date, the value of a Stock determined as follows:
- (i) If the Stock are listed on any established stock exchange or a national market system, including without limitation the Tel-Aviv Stock Exchange, the NASDAQ Global Select Market, NASDAQ Global Market or the NASDAQ Capital Market, the Fair Market Value shall be the last reported sale price for such Stock (or the highest closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in The Wall Street Journal, or such other source as the Board deems reliable;
 - (ii) If the Stock are regularly quoted by one or more recognized securities dealers, but selling prices are not reported, the Fair Market Value shall be the mean between the highest bid and lowest asked prices for the Stocks on the last market trading day prior to the day of determination; or
 - (iii) In the absence of an established market for the Stock, the Fair Market Value thereof shall be determined in good faith by the Board.
- 2.12 “**IPO**” means the closing of the sale of the Company’s Common Stock in a firm- commitment, underwritten public offering registered under the Securities Act of 1933, as amended, other than a registration relating solely to a transaction under Rule 145 under such Act (or any successor thereto) or to an employee benefit plan of the Company, which results in aggregate proceeds to the Company (before payment of any underwriters’ discounts and expenses relating to the issuance) of at least \$10,000,000..
- 2.13 “**Option**” means an option to purchase common stock pursuant to the Plan.
- 2.14 “**Participant**” means a person who receives or holds an Award under the Plan.
- 2.15 “**Plan**” means the Company’s 2007 Global Incentive Plan.
- 2.16 “**Purchase Price**” means the price for each Stock subject to an Award.
- 2.17 “**Restricted Stock**” means a Stock granted under the Plan subject to Vesting Dates as determined by the Board or the Committee.

2.18 “**Service Provider**” means a director, consultant or adviser of the Company or any affiliate, or any other person who is not an Employee.

2.19 “**Stock**” means the common stock, \$ 0.0001 par value, of the Company.

2.20 “**Successor Company**” means the surviving entity after a Transaction.

2.21 “**Transaction**” means (i) the consummation of a merger, acquisition or reorganization of the Company with one or more other entities after which the beneficial owners of the Company’s outstanding voting securities immediately prior to such Transaction do not own at least 50% of the outstanding voting securities of the Successor Company that results from such Transaction, or (ii) a sale of all or substantially all of the assets or stock of the Company to another entity.

2.22 “**Vested Award**” means any Award, which has already been vested according to the Vesting Dates.

2.23 “**Vesting Dates**” means, as determined by the Board or authorized Committee, the date as of which the Participant shall be entitled to exercise Awards or part of the Awards as set forth in Section 10 of the Plan.

2.24 “**Vested Options**” means any Option, which has already been vested according to the Vesting Dates.

3. ADMINISTRATION OF THE PLAN

3.1 The Board shall have the power to administer the Plan. To the extent permitted under applicable law, the Board may delegate its powers under the Plan, or any part thereof, to the Committee, in which case, any reference to the Board in the Plan with respect to the rights so delegated shall be construed as reference to the Committee. Notwithstanding the foregoing, the Board shall automatically have residual authority (i) if no Committee shall be constituted, (ii) with respect to rights not delegated by the Board to the Committee, or (iii) if such Committee shall cease to operate for any reason whatsoever.

3.2 The Committee, if appointed, shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.3 The Committee shall have full power and authority subject to the approval of the Board to the extent required under applicable law (and subject further to applicable laws): (i) to designate Participants; (ii) to determine the terms and provisions of respective Award Agreements (which need not be identical) including, but not limited to, the number of Stock to be covered by each Award, provisions concerning the time or times when and the extent to which the Awards may be exercised and the nature and duration of restrictions as to transferability or restrictions constituting substantial risk of forfeiture; (iii) to accelerate the right of a Participant to exercise, in whole or in part, any previously granted Award; (iv) to interpret the provisions and supervise the administration of the Plan; (v) to determine the Fair Market Value of the Stock; (vi) to designate the type of Awards to be granted to a Participant; (vii) to determine any other matter which is necessary or desirable for, or incidental to, the administration of the Plan.

3.4 The Board and/or the Committee shall have the authority to grant, at its discretion, to the holder of an outstanding Award, in exchange for the surrender and cancellation of such Award, a new Award having a purchase price equal to, lower than or higher than the Purchase Price of the original Award so surrendered and canceled, and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the Plan.

3.5 Subject to the Company’s incorporation documents, all decisions and selections made by the Board or the Committee pursuant to the provisions of the Plan shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Award to be granted to that member. Any decision reduced to writing shall be executed in accordance with the provisions of the Company’s incorporation documents, as the same may be in effect from time to time.

3.6 The interpretation and construction by the Committee of any provision of the Plan or of any Award Agreement thereunder shall be final and conclusive unless otherwise determined by the Board.

3.7 Subject to the Company’s incorporation documents and the Company’s decision, and to all approvals legally required, each member of the Board or the Committee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the Plan unless arising out of such member’s own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the member may have as a director or otherwise under the Company’s incorporation documents, any agreement, any vote of stockholders or disinterested directors, insurance policy or otherwise.

4. DESIGNATION OF PARTICIPANTS

The persons eligible for participation in the Plan shall include Employees and/or Service

Providers. The grant of an Award hereunder shall neither entitle the Participant to participate nor disqualify him or her from participating in, any other grant of Awards pursuant to the Plan or any other award or stock plan of the Company or any of its affiliates.

5. STOCK RESERVED FOR THE PLAN

5.1 The Company has reserved Twelve Million Five Hundred Thousand (12,500,000) shares of authorized but unissued Stock for the purposes of the Plan and for the purpose of the Company’s other incentive plans when applicable, subject to adjustment as set forth in Section 7 below. Any Stock which

remain unissued and which are not subject to outstanding Awards at the termination of the Plan shall cease to be reserved for the purpose of the Plan, but until termination of the Plan the Company shall at all times reserve a sufficient number of Stock to meet the requirements of the Plan. Should any Award for any reason expire or be canceled prior to its exercise or relinquishment in full, the Stock or Stock subject to such Award may again be subjected to an Award under the Plan or under future plans.

5.2 Each Award granted pursuant to the Plan, shall be evidenced by a written Award Agreement between the Company and the Participant, in such form as the Board shall from time to time approve. Each Award Agreement shall state, inter alia, the number of Stock to which the Award relates, the type of Award granted thereunder, the Vesting Dates, the Purchase Price per Stock and the Expiration Date.

5.3 Until the consummation of an IPO, such Stock shall be voted by an irrevocable proxy (the “**Proxy**”), such Proxy to be assigned to the person or persons designated by the Board (the “**Representative(s)**”). Such Representative designated by the Board shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such Representative’s own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the Representative(s) may have as a director or otherwise under the Company’s incorporation documents, any agreement, any vote of stockholders or disinterested directors, insurance policy or otherwise.

6. PURCHASE PRICE

6.1 The Purchase Price of each Stock subject to an Award shall be determined by the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Award Agreement will contain the Purchase Price determined for each Participant.

6.2 The Purchase Price shall be payable upon the exercise of an Award in the following acceptable forms of payment:

-
- (i) cash, check or wire transfer.
 - (ii) at the discretion of the Committee, through delivery of Stock (including other Stock subject to the Awards being exercised) having a Fair Market Value equal as of the date of exercise to the Purchase Price of the Stock purchased and acquired upon the exercise of the Award, or by a different form of cashless exercise method through a third party broker as approved by the Committee.
 - (iii) at the discretion of the Committee, any combination of the methods of payment permitted by any paragraph of this Section 6.2.

6.3 The Purchase Price shall be denominated in the currency of the primary economic environment of, at the Company’s discretion, either the Company or the Employee (that is the functional currency of the Company or the currency in which the Employee is paid).

7. ADJUSTMENTS

Upon the occurrence of any of the following described events, Participant’s rights to purchase Stock under the Plan shall be adjusted as hereafter provided:

7.1 In the event of a Transaction, the unexercised Awards then outstanding under the Plan shall be assumed or substituted for (in accordance with Section 7.3). In the case of such assumption and/or substitution of Awards, appropriate adjustments shall be made to the Purchase Price so as to reflect such action and all other terms and conditions of the Award Agreements shall remain unchanged, including but not limited to the vesting schedule, all subject to the determination of the Committee or the Board, which determination shall be in their sole discretion and final. The Company shall notify the Participant of the Transaction in such form and method as it deems applicable at least ten (10) days prior to the effective date of such Transaction.

7.2 Notwithstanding the above and subject to all applicable law, the Board or the Committee shall have the power and authority to determine that in certain Award Agreements there shall be a clause instructing that if in any Transaction the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute the Awards, the Vesting Dates of outstanding Awards shall be accelerated so that any unvested Award or any portion thereof shall be immediately vested as of the date which is ten (10) days prior to the effective date of the Transaction.

7.3 For the purposes of Section 7.1 above, an Award shall be considered assumed or substituted if, following the Transaction, the Award shall confer the right, subject to such Award’s original vesting schedule, to purchase or receive, for each Stock underlying such Award immediately prior to the Transaction, the consideration (whether stock, awards, cash, or other securities or property) received in the Transaction by the holders of stock for each Stock held on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a

majority of the outstanding Stock); provided, however, that if such consideration received in the Transaction is not solely shares of common stock (or their equivalent) of the Successor Company or its parent or subsidiary, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of the Award to be solely shares of common stock (or their equivalent) of the Successor Company or its parent or subsidiary equal in Fair Market Value to the per Stock consideration received by holders of a majority of the outstanding stock in the Transaction; and provided further that the Committee may determine, in its discretion, that in lieu of such assumption or substitution of Awards for awards of the Successor Company or its parent or subsidiary, such Awards will be substituted for any other type of asset or property including cash which is fair under the circumstances. Without limiting the generality of the foregoing, the Committee may, in its discretion, provide that such Awards will be settled in exchange for a cash payment based upon the distribution or consideration payable to holders of the Stock upon or in respect of such Transaction (for example, in the case of Options, the Committee may base such settlement solely upon the excess (if any) of the amount payable upon or in respect of such Transaction over the exercise price of the Option to the extent of the then vested and exercisable shares subject to the Option).

7.4 If the Company is voluntarily liquidated or dissolved while unexercised Awards remain outstanding under the Plan, the Company shall immediately notify all unexercised Award holders of such liquidation, and the Award holders shall then have ten (10) days to exercise any unexercised Vested Award held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such ten-days period, all remaining outstanding Awards will terminate immediately.

7.5 If the outstanding Stock shall at any time be changed or exchanged by declaration of a stock dividend (bonus stock), Stock split or reverse Stock split, combination or exchange of stock, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Stock subject to the Plan or subject to any Awards theretofore granted, and the Purchase Prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Stock without changing the aggregate Purchase Price; provided, however, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding Stock. Upon happening of any of the foregoing, the class and aggregate number of Stock issuable pursuant to the Plan (as set forth in Section 5 hereof), in respect of which Awards have not yet been exercised, shall be appropriately adjusted.

7.6 Anything herein to the contrary notwithstanding, if prior to the completion of the IPO, all or substantially all of the stock of the Company are to be sold or a merger or reorganization that constitutes a Transaction occurs, then each Participant shall be obliged to sell or exchange, as the case may be, any Stock such Participant purchased under the Plan, in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

7.7 The Participant acknowledges that Participant's rights to sell the Stock may be subject to certain limitations (including a lock-up period), as will be requested by the Company or its underwriters, and the Participant unconditionally agrees and accepts any such limitations.

8. TERM AND EXERCISE OF OPTIONS

8.1 Options shall be exercised by the Participant's by giving written notice of such exercise to the Company or to any third party designated by the Company (the "Designee"), in such form and method as may be determined by the Company, which exercise shall be effective upon receipt of such notice by the Company and/or the Designee and the payment of the exercise price for the number of Stock with respect to which the option is being exercised, at the Company's or the Designee's principal office. The notice shall specify the number of Stock with respect to which the Option is being exercised.

8.2 Options, to the extent not previously exercised, shall terminate upon the earlier of: (i) the date set forth in the Award Agreement; (ii) the expiration of ten (10) years from the Date of Grant; or (iii) the expiration of any extended period in any of the events set forth in Section 8.5 below.

8.3 The Options may be exercised by the Participant in whole at any time or in part from time to time, to the extent that the Options have become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of Section 8.5 below, the Participant is an Employee or a Service Provider at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

8.4 Subject to the provisions of Section 8.5 below, in the event of a termination of Participant's employment or service, all Awards granted to such Participant shall immediately expire. Unless otherwise approved by the Committee, a notice of termination of employment or services shall be deemed to constitute termination of employment or services.

8.5 Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Participant's Award Agreement, an Option may be exercised after the date of termination of Participant's employment or service during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

8.5.1 termination is by the Company other than for death, Disability or Cause, in which event the Vested Options still in force and unexpired may be exercised within a period of three (3) months after such date of termination; or

8.5.2 termination is the result of death or Disability of the Participant, in which event the Vested Options still in force and unexpired may be exercised within a period of twelve (12) months after such date of termination; or

8.5.3 prior to the date of such termination, the Committee shall authorize an extension of the term of all or part of the Vested Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

For avoidance of any doubt, if termination of employment or service is for Cause, any outstanding unexercised Option will immediately expire and terminate, and the Participant shall not have any right in respect of such outstanding Options. In addition, under no circumstances shall any such Option be exercisable after the specified expiration of the option term.

8.6 To avoid doubt, the holder of an Option shall have no stockholder rights with respect to the shares subject to the option until such person shall have exercised the Option, paid the exercise price and become the recordholder of the purchased shares.

8.7 Any form of Award Agreement authorized by the Plan may contain such other provisions, not inconsistent with the Plan, as the Board may, from time to time, deem advisable.

9. TERMS OF THE STOCK

9.1 Subject to any applicable law, the Board or the Committee shall have the sole discretion to determine that in certain Award Agreements there shall be a clause instructing that in the event of termination of Participant's employment with the Company or any of its affiliates the following may apply:

(i) if termination is without Cause, all vested Stock held by the Participant on the date of termination may be retained by the Participant and may not be subject to forfeiture by the Company.

(ii) unvested Stock held by the Participant on the date of termination, may be subject to forfeiture to the Company, at a price which is the lesser of the price paid by the Participant for the Stock (or the par value of the Stock, as the case may be) or the fair market value of the Company's Stock at the date of such forfeiture (as determined by the Board or the Committee in its sole discretion), and the Participant shall not be entitled to retain the unvested Stock. Upon consummation of the forfeiture of the unvested Stock, the Participant's rights with respect to such

Stock including, inter alia, the right to receive dividends with respect to such unvested Stock shall lapse and shall be of no further force and effect.

(iii) notwithstanding anything to the contrary above, in the event of termination for Cause, all Stock, whether vested or not, may be subject to forfeiture to the Company at the lower price of the price paid by the Participant for the Stock (or the par value of the Stock, as the case may be) and the fair market value of the Company's Stock at the date of such forfeiture (as determined by the Board or the Committee in its sole discretion) and all the Participant's rights with respect to

such Stock including, inter alia, the right to receive dividends with respect to such Stock shall lapse and shall be of no further force and effect.

9.2 Any form of Award Agreement authorized by the Plan may contain such other provisions as the Committee may, from time to time, deem advisable.

10. VESTING OF AWARDS

10.1 Subject to the provisions of the Plan, Awards shall vest at the Vesting Dates set forth in the Award Agreement. However no Award shall be exercised after the Expiration Date.

10.2 An Award may be subject to such other terms and conditions, not inconsistent with the Plan, on the time or times when it may be exercised as the Committee may deem appropriate. The vesting provisions of individual Awards may vary.

11. PURCHASE FOR INVESTMENT

The Company's obligation to issue or allocate Stock upon exercise of an Award granted under the Plan is expressly conditioned upon: (a) the Company's completion of any registration or other qualifications of such Stock under all applicable laws, rules and regulations or (b) representations and undertakings by the Participant (or his legal representative, heir or legatee, in the event of the Participant's death) to assure that the sale of the Stock complies with any registration exemption requirements which the Company in its sole discretion shall deem necessary or advisable. Such required representations and undertakings may include representations and agreements that such Participant (or his legal representative, heir, or legatee): (a) is purchasing such Stock for investment and not with any present intention of selling or otherwise disposing thereof; and (b) agrees to have placed upon the face and reverse of any certificates evidencing such Stock a legend setting forth (i) any representations and undertakings which such Participant has given to the Company or a reference thereto and (ii) that, prior to effecting any sale or other disposition of any such Stock, the Participant must furnish to the Company an opinion of counsel, satisfactory to the Company, that such sale or disposition will not violate the applicable laws, rules and regulations of the United States or any other state having jurisdiction over the Company and the Participant.

12. STOCK SUBJECT TO RIGHT OF FIRST REFUSAL

12.1 Notwithstanding anything to the contrary in the incorporation documents of the Company, none of the Participants shall have a right of first refusal in relation with any sale of stock in the Company.

12.2 Unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, a Participant shall not have the right to sell Stock issued upon the exercise of an Award within six (6) months and one day of the date of exercise of such

Award or issuance of such Stock.

Sale of Stock by the Participant shall be subject to a right of first refusal in favor of the Company as set forth in the incorporation documents of the Company or in another agreement between the Company and the Participant.

In the event that neither the incorporation documents of the Company nor any other agreement between the Company and the Participant contain any provision regarding rights of first refusal, then, unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, the sale of Stock issuable upon the exercise of an Award shall be subject to a right of first refusal on the part of the Repurchaser(s) as set forth in Section 12.3.

Repurchaser(s) means (i) the Company, if permitted by applicable law, (ii) if the Company is not permitted by applicable law, then any affiliate of the Company designated by the Committee; or (iii) at the Committee's option, then the Company's existing stockholders (save, for avoidance of doubt, for other Participants who already exercised their Awards), pro rata in accordance with their stockholding.

12.3 The Participant shall give a notice of sale (hereinafter the "**Notice**") to the Company in order to offer the Stock to the Repurchaser(s). The Notice shall specify the name of each proposed purchaser or other transferee (hereinafter the "**Proposed Transferee**"), the number of Stock offered for sale, the price per Stock and the payment terms. The Repurchaser(s) will be entitled for thirty (30) days from the day of receipt of the Notice (hereinafter the "**Notice Period**"), to purchase all or part of the offered Stock on a pro rata basis based upon their respective holdings in the Company. If by the end of the Notice Period not all of the offered Stock have been purchased by the Repurchaser(s), the Participant shall be entitled to sell such Stock at any time during the ninety (90) days following the end of the Notice Period on terms not more favorable than those set out in the Notice, provided that the Proposed Transferee agrees in writing that the provisions of this Section shall continue to apply to the Stock in the hands of such Proposed Transferee.

12.4 Any sale of Stock issued under the Plan by the Participant that is not made in accordance with the Plan or the Award Agreement shall be null and void.

13. DIVIDENDS

With respect to all Stock (but excluding, for avoidance of any doubt, any unexercised Awards) allocated or issued upon the exercise of Awards purchased by the Participant and held by the Participant or by a trustee, as the case may be, the Participant shall be entitled to receive dividends in accordance with the quantity of

such Stock, subject to the provisions of the Company's incorporation documents, as amended from time to time and subject to any applicable taxation on distribution of dividends.

14. RESTRICTIONS ON ASSIGNABILITY AND SALE OF AWARDS

No Award or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable, or given as collateral nor any right with respect thereto may be given to any third party whatsoever, other than by will or by the laws of descent and distribution or as specifically otherwise allowed under the Plan and during the lifetime of the Participant, each and all of such Participant's rights to purchase Stock hereunder shall be exercisable only by the Participant. Any action made in contradiction to the aforementioned, shall be null and void.

15. EFFECTIVE DATE, DURATION, AMENDMENTS OR TERMINATION OF THE PLAN

15.1 The Plan shall be effective as of the day it was adopted by the Board and shall terminate at the end of ten (10) years from such day of a adoption (the: "**Termination Date**").

15.2 The Company shall obtain the approval of the Company's stockholders for the adoption of this Plan and/or the Appendixes thereto or for any amendment to this Plan and/or the Appendixes thereto if stockholders' approval is required under any applicable law including without limitation the U.S. securities law or the securities laws of other jurisdiction applicable to Awards granted to Participants under this Plan and/or the Appendixes thereto, or if stockholders' approval is required by any authority or by any governmental agencies or national securities exchanges including without limitation the U.S. Securities and Exchange Commission.

15.3 The Board may at any time, subject to the provisions of Section 15.2 above and all applicable law, amend, alter, suspend or terminate the Plan, provided, however, that (i) the Board may not extend the term of the Plan specified in Section 15.1 above and (ii) no amendment, alteration, suspension or termination of the Plan shall impair the rights of any Participant, unless mutually agreed otherwise by the Participant and the Company, which agreement must be in writing and signed by the Participant and the Company. Earlier termination of the Plan prior to the Termination Date shall not affect the Board's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such earlier termination.

16. GOVERNMENT REGULATIONS

The Plan, the granting and exercise of Awards hereunder and the obligation of the Company to sell and deliver Stock under such Awards shall be subject to all applicable laws, rules, regulations, approvals and consents whether of the United States, the State of Israel, or any other State having jurisdiction over the Company or the Participant, including the registration of the Stock under the United States Securities Act 1933 or under the securities act of any applicable jurisdiction, and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to

register the Stock under the securities law of any jurisdiction.

17. CONTINUANCE OF EMPLOYMENT

Neither the Plan nor any Award Agreement shall impose any obligation on the Company or an affiliate to continue any Participant in its employ or service, and nothing in the Plan or in any Award granted pursuant hereto shall confer upon any Participant any right to continue in the employ or service of the Company or an affiliate thereof or restrict the right of the Company or an affiliate thereof to terminate such employment or service at any time.

18. GOVERNING LAW AND JURISDICTION

The Plan shall be governed by and construed and enforced in accordance with the laws of the State of California as applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of the State of California shall have sole jurisdiction in any matters pertaining to the Plan.

19. TAX CONSEQUENCES

Any tax consequences to any Participant arising from the grant or exercise of any Award, from the payment for Stock covered thereby or from any other event or act (of the Company and/or its affiliates, or the Participant) hereunder shall be borne solely by the Participant. The Company and/or its affiliates shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Participant shall agree to indemnify the Company and/or its affiliates and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant.

The Company shall not be required to release any Stock certificate to a Participant until all required payments have been fully made.

20. NON-EXCLUSIVITY OF THE PLAN

The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise then under the Plan, and such arrangements may be either applicable generally or only in specific cases. For the avoidance of doubt, prior grant of awards to Participants of the Company under their employment agreements, and not in the framework of any previous incentive plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

21. MULTIPLE AGREEMENTS

The terms of each Award may differ from other Awards granted under the Plan at the same time, or at any other time. The Board may also grant more than one Award to a given Participant during the term of the Plan, either in addition to, or in substitution for, one or more Awards previously granted to that Participant.

22. RULES PARTICULAR TO SPECIFIC COUNTRIES

Notwithstanding anything herein to the contrary, the terms and conditions of the Plan may be adjusted with respect to a particular country by means of an addendum to the Plan in the form of an appendix (the "**Appendix**"), and to the extent that the terms and conditions set forth in the Appendix conflict with any provisions of the Plan, the provisions of the Appendix shall govern. Terms and conditions set forth in the Appendix shall apply only to Awards issued to Participants under the jurisdiction of the specific country that is subject of the Appendix and shall not apply to Awards issued to any other Participant. The adoption of any such Appendix shall be subject to the approval of the Board and if required the approval of the stockholders of the Company.

* * *

Quality Appendix

Table of Contents

1.	General	2
2.	Terms and Abbreviations	2
3.	Applicable Documents	2
4.	Priorities	2
5.	Contract Management	3
6.	Reports	3
7.	Engineering	3
8.	Manufacturing	4
9.	Procurement:	5
10.	Management Systems	5

1. General

This document specifies all the requirements of Flextronics to be fulfilled within its Quality Management System with respect to the Products ordered by Customer under the Agreement executed by and between the Parties (the: “**Agreement**”).

2. Terms and Abbreviations

- 2.1 ATP/R — *Acceptance Test Plan/Results*
- 2.2 CFC — Chlorofluorocarbon (Freon Gas)
- 2.3 FTP/R — Final Test Procedure/Results
- 2.4 QP — Quality Plan
- 2.5 QM — Quality Management
- 2.6 TS — Test Equipment
- 2.7 ESD — Electro Static Discharge

3. Applicable Documents

The following standards shall be in place in their latest version or as otherwise specifically written in the respective Specifications/Production File of the Product in question:

- 3.1 ISO-9001: 2000 Quality Systems — model for quality assurance in design, production, installation and maintenance/ service, hereinafter ISO 9001.
- 3.2 ISO- 14001: Model for Environmental Management Systems.
- 3.3 IPC A-610 — Acceptability of Electronic Assemblies
- 3.4 ISO 2859 Sampling Procedures and Tables for Inspection by Attributes.
- 3.5 S20.20 Electrostatic Discharge Control Program Standard.
- 3.6 4.13 ISO 18001 — Occupational health & safety management system.
- 3.7 IPC-7711/7721 — Rework, Modifications and Repair of Electronic Assemblies

4. Priorities

The finished product shall comply with all the requirements contained in this document and with the production file (as amended through ECO), all subject to Flextronics Expressed Limited Warranty under the Agreement.

In the event of non-compliance between the requirements contained in the various contract documents, the priorities are as follows:

- 4.1 Production File (as amended through ECO).
- 4.2 Requirements as specified in this document.

5. Contract Management

Flextronics and Customer shall separately appoint a quality manager for the contract. The parties shall exchange with each other the particulars of the respective quality managers in writing upon contract signing.

The quality managers shall coordinate execution of the quality plan, track performance. Customer's quality manager shall be authorized to approve matters that impact on quality and quality issues in the contract (for example: documentation, changes, nonconformities, etc.), to the extent such authorizations were requested by Flextronics.

6. Reports

- 6.1 Flextronics shall provide to Customer a monthly-basis quality report. The report shall include activities completed in the period reported.
- 6.2 Flextronics shall also supply to Customer a bi-weekly statistics reports. The content and format of the reports shall be coordinated with Customer's Quality Assurance Manager.
- 6.3 The report layout sent to Customer at the beginning of each month, shall be in accordance with the quality plan approved by Customer's Quality Assurance Manager.

7. Engineering

7.1.1 Deviations and Waivers

Any deviation or waiver, in respect of the production file liable to affect form, fit or function, shall require the advance written authorization of Customer's quality manager.

7.1.2 Approval of Documents

All documents within production shall be submitted to Flextronics for approval. Flextronics is responsible for converting relevant documents to Flextronics filing system subject to an ECO mechanism.

7.2 Process Monitoring & Control

7.2.1 Approval—General

Flextronics shall adapt its work process in accordance with the production file sent by Customer and approved by Flextronics, as shall be amended through ECO

7.2.2 Changes

Changes requested by Customer in procedures, instructions or specifications shall be implemented only subsequently issuing an Engineering Change Order (ECO), submitted by Flextronics through the Account manager.

8. Manufacturing

8.1 ESD

The ESD arrangements established and maintained by Flextronics shall be based on the IPC standards specified in Section 3 hereof taking into account the following ESD system aspects:

- 8.1.1 Sufficient ESD System including well-defined procedure, specifications, checklists, templates, etc.
- 8.1.2 Sufficient level of resistance (measured in Q), as described in the foregoing standard (work surfaces, tables, floors, footwear, wrist straps, etc.)

8.2 Prototypes

8.2.1 New products should be processed with the involvement of Customer's representatives:

- Quality Management will test, verify and approve prototypes according to a FAI process.
- Customer's NPI representative will check the examples according to appropriate procedures.

The move to the pre-production stage will depend upon the above documented approvals

8.3 During standard production, Flextronics implement its internal FAI process based on Flextronics procedure: SMT GEN WI 8

8.4 QA

8.4.1 SolarEdge will have the right to place QA and QC personnel on the production line following prior coordination with Flextronics.

4

8.4.2 Flextronics will notify Customer, within no more than 24 hours, regarding any deviations from the QA requirements under this document that is related to SE products promptly when they learn of it.

8.5 Yield

8.5.1 All units which fail FT or BI will be logged and reported.

8.5.2 Fixing these failed units will be under guidelines of Customer's FA engineer enclosed herewith as integral part hereof. An agreed group that will include Flextronics representatives and SolarEdge's FA engineer is the only group that can verify these units didn't suffer degradation in Reliability.

8.5.3 Units that had failed FT or BI and can not be repaired will be logged and reported by Flextronics and purchased for their respective BOM price and paid for by Customer within 30 days of being reported; it is clarified that any such units that cannot be repaired in accordance with said guidelines as a direct result of Flextronics' defective workmanship, shall not be purchased by Customer as aforesaid.

9. Procurement:

9.1 Flextronics will perform the following QA procedures on material they procure for SE products. QA plan will be defined by SE and Flextronics and for the meantime shall be as follows.

9.1.1 QA, COC and packing check on all mechanical parts.

9.1.2 Authenticity, dating and packing on all electronic components, including PCBs

9.1.3 Authenticity, dating and packing on all materials and glues.

10. Management Systems

10.1 Quality Management System

Flextronics Quality Assurance system complies with the requirements of ISO-9001, ISO- 14001, OHSAS 18001, ISO-13485. Product Testing and Inspection

10.1.1 Product tests and inspections shall be performed by Flextronics qualified employees. It is Customer's responsibility to provide all test stations and appropriate training to Flextronics employees.

10.1.2 Customer will provide each station with its own specification checklist and test procedures.

5

10.1.3 Customer shall assure that only valid calibration equipment is used for product acceptance.

10.1.4 Any change to Circuit Testing (ICT), procedure, expected results, and allowed tolerances of the results must be done with Customer's approval.

10.1.5 The result of each test done — whether ICT, Functional Test, Burn-In or other — shall be logged in the Quality Management System and be visible to Customer.

10.2 Audits and Inspections of the Production Facility

10.2.1 Audits performed in Flextronics site by the Customer will be previously confirmed by Flextronics and agreed upon by both parties, at least 72 hours in advance.

10.2.2 The quality managers shall agree for an appropriate schedule.

10.2.3 Production line will be regularly audited by Flextronics internal Auditor, as described in Flextronics procedure Q.A_GEN_PR_17

10.3 Workmanship

Workmanship shall be in accordance with IPC-A-610: Acceptability of Electronic Assemblies and with IPC-7711/7721 — Rework, Modifications and Repair of Electronic Assemblies (latest revisions). All Customers products and circuits will be considered Class 3 High Performance Electronic Products, and defined in the standards mentioned. However, some specific alleviations from the standard will be offered by SolarEdge.

6

Manufacturing Services Agreement

This Manufacturing Services Agreement (“**Agreement**”) is entered into effective as of February 14th 2010 (the “**Effective Date**”) by and between SolarEdge Technologies Ltd., having its place of business at 1 Abba Eban Blvd., Herzliya, Israel (“**Customer**”), and Flextronics (Israel) Ltd., having its place of business at Migdal-Haemek, P.O.B 867, Israel (“**Flextronics**”). (Customer and Flextronics shall be referred to hereinafter individually as a “**Party**” and collectively as the “**Parties**”).

Whereas, Customer has created a market for Customer’s Products (as defined below) and is solely responsible for the sales and marketing of the Products; and

Whereas, Flextronics has developed processes and practices for manufacturing products for many different electronic applications and at Customer’s request desires to manufacture Customer’s Products in accordance with Customer’s applicable specifications all subject to the terms and conditions contained herein; and

Whereas, Customer acknowledges that Flextronics’s expertise is manufacturing and that Flextronics’s responsibility related to the Customer’s Products is limited to this extent;

Now, therefore, the Parties, intending to be legally bound, hereby agree as follows:

1. WORK, LICENSE, DEFINITIONS

1.1 Work. Flextronics agrees to perform the Work as defined in Section 1.3 herein pursuant to Purchase Orders, forecasts or changes thereto issued by Customer and accepted by Flextronics subject to and in accordance with the terms and conditions stipulated in this Agreement.

1.2 License. Flextronics is hereby granted by Customer a non-exclusive, nontransferable license limited for the term of this Agreement to use Customer’s patents, trade secrets and other intellectual property, as well as all the Specifications, relevant documentation and files, (collectively referred to hereinafter as “**Customer’s IP**”) provided by Customer to Flextronics for the sole and exclusive purpose of performing Flextronics’s obligations under this Agreement. Customer shall retain full and sole ownership in Customer’s IP, including to any developments and/or enhancements related thereto devised by Flextronics, and Customer’s IP shall not be affected or limited in any manner whatsoever due to Flextronics’s right to use such Customer’s IP for the purpose of performing this Agreement. Customer’s IP shall remain the confidential information of Customer as more fully described in Section 11.1. By providing Flextronics the right to use Customer’s IP, for the sole purpose of performing this Agreement, Customer does not grant any express or implied right to Flextronics to or under any patents, copyrights, trademarks, or trade secret included in or related to Customer’s IP other than as expressly set forth above.

Flextronics shall use Customer’s IP only in a manner and form pre-approved by Customer or pursuant to this Agreement. Flextronics will not misuse or divulge in any manner Customer’s IP, and Flextronics will not, and will not knowingly allow any third parties to: (i)

delete or modify any Customer’s IP proprietary notices which appear on or in the Product(s) or its related documents, including the Specifications; (ii) directly or indirectly modify, change, alter or otherwise tamper with the Specifications and/or the Product(s) and/or or modify, adapt, reverse engineer, translate or make derivative works based on the Specifications and/or Product(s); (iii) sell, sublicense, rent, lease, disclose, distribute, publish, copy, transfer or otherwise make the Specifications and/or Product(s) available to any third party other than Customer, or allow third parties other than Customer to use the Specifications and/or Product(s); and (iv) copy the documentation related to the Products — all except as otherwise provided for in this Agreement.

If at any time, Flextronics becomes aware of any breach of the provisions of Section 1.2 above, it shall promptly notify Customer in writing. Upon becoming aware of such breach, Flextronics shall promptly use its best efforts to cure such breach to ensure that its use of Customer’s IP shall comply with this Agreement. In the event a cure is not effected within 30 days period, then, Customer may terminate the license granted herein with respect to all non-conforming uses until the standards of use are restored and Flextronics receives written notice from Customer that it may resume said uses of Customer IP.

1.3 Definitions. Flextronics and Customer agree to the following definitions:

“ Approved Vendor List ” or “ AVL ”	Shall mean a list of manufacturers currently approved by Customer to provide the Materials specified in the bill of materials for the Product.
“ Cost ”	As it relates to Inventory and Special Inventory, Excess Inventory and Dead Inventory shall mean the cost represented on the bill of materials supporting the most current Product price at the time of issuance of a Materials Liability Report, cancellation of a Purchase Order or termination of this Agreement.
“ Customer Controlled Materials ”	Shall mean certain Materials (including all MDI components) provided by suppliers with whom Customer has a commercial contractual or non-contractual relationship, and which are included in the AVL.
“ Customer Controlled Materials Terms ”	Shall mean the terms and conditions that Customer has negotiated with its suppliers for the purchase of Customer Controlled Materials and which are acceptable to Flextronics.
“ Customer Supplied Inventory ”	Shall mean Inventory or Special Inventory purchased by Flextronics, directly from the Customer.
“ Customer Supplied Inventory Terms ”	Shall mean the terms and conditions for the purchase of Customer Supplied Inventory Terms as agreed between the Parties.

“**Disputes**” Shall have the meaning set forth in Section 11.12 below.

“Economic Order Materials”	Shall mean Materials purchased in quantities greater than the required amount in the Forecast, in order to achieve price targets for such Materials.
“Forecast”	Shall have the meaning set forth in Section 2.1 below.
“Inventory”	Shall mean any Materials or hand or on order that are acquired based on the Logistics Data pursuant to Customer’s Forecast.
“Lead Time(s)”	Shall mean in Section 2.3 the lead time recorded on Flextronics’s MRP system at the time of procurement of Inventory and Special Inventory or at the time of the cancellation of the purchase order or termination or expiration of this Agreement.’
“Logistics Data”	Shall mean material procurement policy such as: Lead Time, Long Lead Time, Economic Order Inventory, Minimum Order Quantity (MOQ), Order Multiple, Cancellation Window and Order Period and production capacity parameters all as defined in <u>Appendix A</u> attached hereto or as mutually agreed in writing.
“Long Lead Time Materials”	Shall mean Materials with Lead Times exceeding 13 weeks.
“Materials”	Shall mean labor, components, materials and supplies that are used in the manufacturing, testing, packaging, and distribution of Products.
“Minimum Order Quantity Materials”	Shall mean Materials purchased or ordered in excess of the requirement in the Forecast because of minimum lot sizes available from manufacturers.
“Purchase Order/s” or “Purchase order/s”	Purchase orders for Products issued by Customer in accordance with the terms hereof and accepted by Flextronics.
“Product”	Shall mean the products described in <u>Appendix B</u> .
“Reports and Metrics”	Shall mean Customer Reports and Metrics that are defined by Customer and attached to this Agreement or otherwise mutually agreed by the parties in writing and will be provided by Flextronics on a periodical basis.

“Restrictive Work”	Shall have the meaning set forth in Section 1.4 below.
“Special Inventory”	Shall mean any Long Lead Time Materials, Minimum Order Quantity Materials and/or Economic Order Materials, on hand or on order.
“Specifications”	Shall mean the written specifications for each Product to be produced and provided by Customer, which shall include bill of Materials (including AVL), designs, schematics, assembly drawings, process documentation, test specifications, current revision number and any additional information reasonably requested by Flextronics or otherwise required hereunder. The initial Specifications are attached to <u>Appendix B</u> (Product List) and same may be updated by Customer from time to time subject to Flextronics advance written consent.
“Vendors”	Shall mean those vendors listed in the Approved Vendor List.
“Work”	Shall mean the manufacturing and delivery of the Products to Customer in accordance with and subject to the terms of this Agreement including: the procurement of Inventory and Special Inventory, allocation of the required manpower, implementation of planning and control of the manufacturing process, execution of the integrating processes, assembling, testing, and packing of the products, all of the foregoing pursuant to detailed written Specifications for each such Product which are attached to this Agreement and the delivering of such Products in accordance with Customer’s Purchase Orders issued in accordance with the terms hereof and accepted by Flextronics.

1.4 Subcontractors. Flextronics may not subcontract or outsource any part of the Work defined in Schedule 1.4 hereto to any subcontractor or third party (for the purpose hereof “**Restrictive Work**”) without the prior written consent of Customer which shall not be unreasonably withheld or delayed. For the avoidance of doubt it is clarified that the use by Flextronics of personnel services shall not be deemed as subcontracting or outsourcing in any way. Flextronics shall at all times remain responsible and liable for the acts and omissions of any such subcontractors to the same extent it would have been otherwise responsible and liable hereunder. Flextronics shall take reasonable commercial steps to ensure that in no event may a subcontractor further subcontract or outsource those obligations subcontracted or outsourced to it to any third party.

1.5 Non-Competition. During a period commencing on the Commencement Date, as such term is defined below, and ending on the lapse of [* * *] from the Effective Date (the “**Exclusivity Period**”) Flextronics will not manufacture the Products and/or products that are both substitutable and substantially similar to the Products (“**Similar Products**”) at its facilities in Israel and the Ukraine for any direct competitor of the Customer (as defined below) without the Customer’s prior written consent, and Customer will manufacture Products and/or any Similar Products solely with Flextronics in Israel under the terms of this Agreement. For the purposes hereof, a “direct competitor of the Customer” shall mean any entity, company or venture operating in the field of “on the panel” distributed power harvesting for the photovoltaic market.

The foregoing non-competition arrangement shall commence on the date that the Customer provides written notice to Flextronics (the “**Commencement Date**”) that it has completed the manufacture of [* * *] Power Boxes and [* * *] Inverters with other manufacturers or on [* * *], whichever is earlier.

Once the non-competition arrangement has commenced as aforesaid, the Customer may terminate it at any time by giving 60 days advance written notice to Flextronics; In addition, in the event that the Customer engages third parties to manufacture Products and/or Similar Products for the Customer at any time during the Exclusivity Period, the non-competition arrangement set out above shall terminate automatically at such time.

It is acknowledged and agreed that the aforesaid reference in Flextronics’ non-compete obligation to its facility in the Ukraine refers to the facility operated by Flextronics’ sister company, Flextronics Beregovo, and is entered into above by virtue of Flextronics GMs’ operational responsibility for this facility and will be effective only for as long as such responsibility subsists therewith and only with regards to a direct competitor of the Customer that has a research and development center in Israel or otherwise operates in Israel directly or through an affiliate thereof but excluding for this purpose a mere sales/marketing presence.

2. FORECASTS, ORDERS, MATERIALS PROCUREMENT

2.1 Forecast. Customer shall provide Flextronics, on a monthly basis, at least 10 days prior to the end of the month in question, a rolling [* * *] month forecast indicating Customer’s best estimates of its Product requirements that is consistent with the Logistics Data and this Agreement (the “**Forecast**”). Flextronics shall promptly notify Customer of any notices received from Vendors that require changes in the Logistics Data. The Forecast shall be non-binding except with respect to Customers’s obligation to pay Flextronics for the purchase of Materials as expressly provided herein below.

2.2 Purchase Orders. Based on Customer’s requirements, Customer will issue from time to time, but no later than the 15th of each month, a written Purchase Order which specifies all Products to be delivered no later than 6 weeks commencing on the date of acceptance of the Purchase Order by Flextronics, in accordance with the most recent Forecast submitted. Each Purchase Order shall reference this Agreement and the applicable written Specifications. Flextronics shall accept each Purchase Order according to its terms (including the delivery date) within five 5 working days of receipt of such order provided that (i) Customer is meeting its

5

obligations pursuant to the credit arrangements extended by Flextronics, (ii) the Purchase Order is consistent with this Agreement, the Forecast and the Logistics Data and the Logistics Data is not changed by the Vendors, (iii) Customer has timely provided the security required pursuant to Section 8.3, if any, and (iv) Customer is not in material breach of the Agreement. Customer’s accepted Purchase Order shall constitute an irrevocable authorization for Flextronics to manufacture the Products, specified in the applicable Purchase Order. Customer may use its standard purchase order form to release items, quantities, prices, schedules, change notices, specifications, or other notices, subject to and in accordance with the terms and conditions provided for hereunder. Notwithstanding the foregoing, the Parties agree that the terms and conditions contained in this Agreement shall be the sole and exclusive terms and conditions related to the Work performed under this Agreement, unless the Parties hereto explicitly agreed otherwise in writing in each instance by an authorized signatory on their behalf.

2.3 Materials Procurement. Each Customer’s Forecast will constitute irrevocable authorization for Flextronics to procure Inventory and Special Inventory in compliance with the Logistics Data in order to manufacture the Products covered by such Forecast. For the avoidance of doubt, it is clarified that Customer is liable for Materials procured as aforesaid even in cases where Customer later issues an updated Forecast showing a decrease in demand.

Changes in Logistics Data will be reviewed and approved by Customer once per calendar quarter. Customer will either approve or ask to amend said policy (if necessary) within 10 days from receipt of such data from Flextronics based on changes in the commercial terms of the Materials (e.g., lead time, prices, etc.). If Customer has not requested an amendment within said period the Logistics Data shall be deemed approved. If Customer has requested such an amendment, it shall be subject to approval by Flextronics. Notwithstanding the foregoing, Flextronics shall promptly update Customer in writing of any Vendors’ notices of increase in the lead times of Long Lead Time Materials. For the avoidance of doubt, Flextronics shall provide such update promptly after any such increase is notified to it and shall not wait until the next quarterly revision of the Logistics Data.

Flextronics may purchase Long Lead-Time Materials sufficient to meet all deliveries under the Forecast, and may reasonably purchase Minimum Order Quantity Materials even if greater than the amount necessary to meet the quantities projected in the Forecast. Flextronics shall purchase Economic Order Inventory only subject to the prior written approval of Customer. Notwithstanding anything to the contrary herein or otherwise, where the excess amount purchased equals to [* * *] or less per line, same would be deemed to be reasonable purchase amounts in the case of Minimum Order Quantity Materials and no prior written consent is required from Customer in the case of Economic Order Inventory.

Flextronics shall use best reasonable commercial efforts in order to reduce the cost of the Materials procured, and of the performance of the Work.

2.4 Preferred Supplier. Simultaneously with the execution of this Agreement, Customer shall provide Flextronics with and maintain on an ongoing basis an Approved Vendor List (“**Vendors**”). Flextronics shall only purchase the Materials required to manufacture Products from Vendors listed in the then-current AVL. Customer shall allow Flextronics to suggest alternative vendors to be included in the AVL. Any such alternative vendor will be

6

included in the AVL only if Customer’s prior written approval was provided to Flextronics regarding such vendor.

2.5 Customer Controlled Materials. Customer may direct Flextronics to purchase Customer Controlled Materials and Customer Supplied Inventory in accordance with Customer Controlled Materials Terms and Customer Supplied Inventory Terms. Customer acknowledges that Customer Controlled Materials Terms and Customer Supplied Inventory Terms will directly impact Flextronics’s ability to perform under this Agreement and to provide Customer with the flexibility Customer is requiring pursuant to the terms of this Agreement. In the event that Flextronics reasonably believes that ‘Customer Controlled Materials Terms and Customer Supplied Inventory Terms will create an additional cost that is not covered by this Agreement, then Flextronics will notify Customer and the Parties will agree to either (a) compensate Flextronics for such additional costs, (b) amend this Agreement to conform to Customer Controlled Materials Terms and/or Customer Supplied Inventory Terms, or (c) amend the Customer Controlled Materials Terms and/or Customer Supplied Inventory Terms to conform to this Agreement, in each case at no additional charge to Flextronics. Customer agrees to provide copies to Flextronics of all Customer Controlled Materials Terms and Customer Supplied Inventory Terms upon the execution of this Agreement and promptly upon execution of any new agreements with suppliers. Customer agrees not to make any modifications or additions to the Customer Controlled Materials Terms and Customer Supplied Inventory Terms or enter into new Customer Controlled Materials Terms and Customer Supplied Inventory Terms that will negatively impact Flextronics’s procurement activities.

2.6 Location of Manufacturing. Manufacturing of all the Products shall initially be in Flextronics' factory in Israel. In the event that Customer manufactures, at Flextronics's factory in Israel, not less than [* * *] Products during each of two consecutive calendar quarters ([* * *] or more in aggregate), Customer shall have the right, upon written notice to Flextronics, to initiate the following action for committing to retain [* * *] of the total manufacturing of Products in revenue terms with Flextronics in Israel while transferring [* * *] of the total manufacturing of Products in revenue terms to Flextronics group facility in the Ukraine or to China at Customer's discretion. In the event that SolarEdge provides notice as aforesaid, Flextronics and Customer shall use their best commercial reasonable efforts to devise and implement a respective transfer plan with appropriate operational manufacturing lines in the location indicated in such notice within [* * *] from the date thereof. Flextronics shall provide Customer with a letter from EC Sykes (Head of Infrastructure Segment within Flextronics Group) supporting such efforts within 30 days from the Effective Date.

2.7 Cessation of Manufacturing. In the event that manufacturing of Products in Israel hereunder should cease or be suspended for any reason whatsoever in a manner that prevents Flextronics performance hereunder, Flextronics will promptly notify Customer thereof, provided that in no event shall such notice be given more than one day from such cessation or suspension.

3. SHIPMENTS, SCHEDULE CHANGE, CANCELLATION, STORAGE

3.1 Delivering and Shipments. All Products delivered pursuant to the terms of this Agreement shall be suitably packed for shipment in accordance with Customer's applicable

7

Specifications and marked for shipment to the destination specified in the applicable Purchase Order. Shipment terms will be to any Customer's designated facilities in Israel. Risk of loss and title to Products will pass to Customer upon delivery to the location in Israel designated in the Purchase Order. Any special packing expenses not included in the original price quotation for the Products, will be paid by Customer provided they were pre-approved by Customer in writing.

3.2 Quantity Increases and Shipment Schedule Changes. Customer may not cancel or otherwise change any accepted Purchase Orders. However, at Customer's request, Flextronics shall use best reasonable commercial efforts to enable the implementation of the change in question. Flextronics will obtain Customer's consent for any substantial additional cost that may be charged to Customer as a result of the change requested. To the extent the change requested is an increase in the quantity ordered, Flextronics may utilize for this purpose the Safety Stock (as hereinafter defined). For the purpose hereof, the term "Safety Stock" shall mean stock that Flextronics shall keep at its premises during the Term of this Agreement (as hereinafter defined) in the amounts detailed in Schedule 3.2 attached hereto. Customer shall pay Flextronics for the Safety Stock in accordance with Section 3.3 hereof.

3.3 Customer Responsibility for Materials, Inventory and Special Inventory. By the end of each calendar quarter, Flextronics shall provide to Customer a report listing for the end of such quarter: (i) all Dead Inventory (as hereinafter defined); and (ii) all Excess Inventory (as hereinafter defined) (the "Materials Quarterly Report"). Customer shall: (a) pay Flextronics an advance in the amount of [* * *] of the Cost of the Excess Inventory; and (b) purchase all Dead Inventory and pay Flextronics [* * *] of the Cost of all Dead Inventory (but only [* * *] in the case of Customer Supplied Dead Inventory), crediting any amount already paid on account thereof as Excess Inventory per subsection (a) above. Payment of the foregoing amounts for Dead Inventory in (b) above shall be made by Customer against the presentation of valid invoices by Flextronics. In the event such invoices are received by Customer by the 15th of the month, Customer shall pay by the end of such month; and in the event such invoices are received after the 15th of the month, Customer shall remit payment within 30 days from the end of the month in which the invoice was received.

"Excess Inventory" shall be defined as: (i) any Materials that remain in the Inventory and/or Special Inventory for more than [* * *]; or (ii) Inventory and Special Inventory which has been in Flextronics' possession for less than [* * *] but for which there is demand only with respect to the last three months of the most updated Forecast ([* * *] through [* * *] month), as determined by Flextronics in accordance with inventory keeping methods generally practiced by Flextronics. Flextronics will promptly notify Customer of any changes in said methods that would have a material affect on the calculation of the Excess Inventory for the purposes hereof.

"Dead Inventory" shall be defined as: (i) any Materials that remain in the Inventory and/or Special Inventory for more than [* * *]; and (ii) any Inventory and/or Special Inventory for which there is no demand in accordance with the most updated Forecast, as determined by Flextronics in accordance with inventory keeping methods generally practiced by Flextronics. Flextronics will promptly notify Customer of any changes in said methods that would have a material affect the calculation of the Excess Inventory for the purposes hereof.

8

Prior to invoicing Customer for the amounts due pursuant to this Section 3.3, Flextronics will use its best reasonable commercial efforts to return unused Dead Inventory and to cancel pending orders for such inventory, and to dispose of it either through integration in other products, or in any other reasonably commercial possible manner, in order to mitigate the amounts payable by Customer, it being clarified that any cancellation charges and other expenses shall be charged to Customer. Flextronics will ship the Dead Inventory paid for by Customer under this Section to Customer or as instructed by Customer in writing, but in any event in Israel, promptly upon said payment by Customer. In the event Customer does not pay as aforesaid, and without derogating from Flextronics's remedies under law, Flextronics will be entitled to dispose of such Inventory and Special Inventory in a commercially reasonable manner, including with respect to price and to credit Customer for any monies received from third parties in consideration of the sale of aforesaid Inventory and/or Special Inventory. If the consideration received shall be less than the amounts due to Flextronics, Flextronics shall submit an invoice for the balance amount due and Customer agrees to pay said amount in accordance with the arrangements set out in last sentence of the first paragraph of this Section 3.3. For the avoidance of doubt it is clarified that (i) risk to Dead Inventory shall pass to Customer upon delivery of the respective Materials Liability Report and title to Dead Inventory shall pass to Customer only upon full payment and delivery; and (ii) title to any other Inventory shall remain with Flextronics.

3.4 Cancellation of Orders and Customer Responsibility for Inventory and/or Special Inventory. Customer may cancel any portion of the Product quantity of an accepted Purchase Order at any time, provided that it pays Flextronics for Products, Inventory, and Special Inventory and expenses affected by the cancellation as follows: (i) [* * *] of the current price for all finished Products in Flextronics's possession; (ii) [* * *] of the Cost of all Inventory and Special Inventory in Flextronics's possession (other than Customer Supplied Inventory) and not returnable without charge (unless the charge was approved by Customer) to the vendor or usable for other customers at Flextronics sole discretion, Whether in raw form or work in process; (iii) [* * *] of the Cost of all Inventory and Special Inventory on order (other than Customer Supplied Inventory) and not cancelable without charge (unless the charge was approved by Customer) or usable for other customers at Flextronics sole discretion; (iv) [* * *] of the Cost of Customer Supplied Inventory; (v) any vendor cancellation charges incurred with respect to Inventory and Special Inventory accepted for cancellation or return by the vendor provided such cancellation charges were approved in writing in advance by Customer; and (vi) expenses actually incurred by Flextronics related to extra labor cost and equipment arising in connection

with the cancellation of any portion of Customer's accepted Purchase Orders. Customer shall pay all amounts due under this Section in accordance with the arrangements set out in last sentence of the first paragraph of Section 3.3. Without derogating from the aforesaid, Flextronics will use best reasonable commercial efforts to reduce the cost borne by Customer as a result of the Purchase Order's cancellation. Upon written demand from Customer, Flextronics will keep the Inventory and Special Inventory for an additional period of 180 days, for which Customer shall pay Flextronics storage charges of [* * *] per cubic meter per month. If the stored Inventory and Special; Inventory are not used during this 180 days period, Flextronics will ship such Inventory and Special Inventory paid for by Customer under this Section to Customer or as instructed by Customer in writing, but in any event in Israel, promptly upon the payment of all amounts then due hereunder by Customer including the storage charges. In the event Customer does not pay as aforesaid, and without derogating from Flextronics's remedies under

law, Flextronics will be entitled to dispose of such Inventory and Special Inventory in a commercially reasonable manner, including with respect to price and to credit Customer for any monies received from third parties in consideration of the sale of aforesaid Inventory and/or Special Inventory. If the consideration received shall be less than the amounts due to Flextronics, Flextronics shall submit an invoice for the balance amount due and Customer agrees to pay said amount in accordance with the arrangements set out in last sentence of the first paragraph of this Section 3.3. For the avoidance of doubt it is clarified that (i) risk to Inventory and Special Inventory shall pass to Customer upon cancellation, and (ii) title to same shall pass to Customer only upon full payment and delivery.

3.5 Customer Responsibility for Ordered Product; Storage of Ordered Product. In the event Customer does not arrange for the prompt pickup of Products ordered, even where the order is cancelled as provided in Section 3.4 above, and inspected by it under this Agreement within 21 days after being informed by Flextronics that such Products are ready for pickup in accordance with Customer's Purchase Order, then Customer hereby authorizes Flextronics to transfer such Products to a warehouse operated by Flextronics or a third party as instructed by Customer. Upon such transfer of said Product(s) to a third party warehouse, Flextronics will notify Customer regarding said transfer in writing, prior to such transfer. Such transfer, to the extent accompanied by such written notice, shall be considered a delivery and sale to Customer for all purposes of this Agreement, and title and risk of loss for such Products shall thereupon transfer from Flextronics to Customer. In accordance with the terms of this Agreement, Flextronics shall be entitled to invoice Customer for (i) such sale (Products) (ii) in the event Product(s) are stored at Flextronics facilities storage and handling charges of [* * *] per cubic meter per month. Such storage and handling fee shall cover the expense of storage, security, and transporting the Products to and from such site. During the time that the Products are stored at Flextronics facilities pursuant to this section hereof, Customer shall have the right, upon prior reasonable written notice, to inspect the Products for the purposes of this Agreement. Customer may, at any given time (subject to satisfaction of Customer's payment obligations), transfer by itself the Product(s) to any other facility or upon Customer's request; Flextronics shall ship the Products to Customer under the terms of this Agreement at Customer's sole expense.

3.6 Obsolete Materials. Upon receiving AVL supplier's notification with respect to Materials which are no longer useable ("**Obsolete Materials**"), Flextronics shall promptly notify Customer in writing of such notification. In such event, Flextronics and Customer may mutually agree upon the replacement components to be used instead the Obsolete Materials and the Parties shall mutually agree upon the required changes, provided that Customer shall bear all additional costs and expenses related thereto.

3.7 Audit and Access.

(i) Flextronics shall provide Customer periodical reports in the format agreed by Parties, which shall be submitted upon Customer request. Customer may request other reports pertaining to the Work and Flextronics will provide such reports, to the extent commercially reasonable and at Customer's sole expense.

(ii) Customer shall have the right, at its expense, to conduct audits of the manufacturing services and related facilities, for the purpose of auditing Flextronics's

compliance with the manufacturing provisions of this Agreements as follows: The audits may include, only the equipment designated for the manufacturing process, the designated manufacturing facility at Flextronics's premises, finished goods warehouse, the inventory designated for the Work and Product(s) and any technical records (manufacturing specifications, production files and quality documentation). All audits shall be performed within Flextronics's facility. No documents or data of any kind, may be removed from Flextronics's facility. Customer will conduct the audits in a reasonable manner so as not to cause undue disruption to Flextronics's work. Audits shall be conducted during business hours, and shall be coordinated with Flextronics at least [* * *] in advance. In the course of such audits and at Customer sole expense Flextronics shall provide, and shall inform its subcontractors to provide, such auditors any reasonable assistance that they may require in accordance with the aforesaid.

(iii) [***]

3.8 End of Life. Flextronics shall promptly notify Customer of Materials' End of Life notice received from Vendors and, in such event, Flextronics will assist Customer to implement an "end of life time buy" with respect thereto in such quantity to cover the lead time required to source and qualify a new supplier of such components.

4. ENGINEERING CHANGES

Customer may request, in writing, that Flextronics incorporate engineering changes into the Product. Such request will include a description of the proposed engineering changes sufficient to permit Flextronics to accurately evaluate its feasibility and cost. Flextronics shall endeavor to respond to Customer's request in writing, within 3 working days of notification and shall state the costs and time of implementation and the impact on the delivery schedule, materials inventory, materials on order and pricing of the Product. Flextronics will not be obligated to proceed with the engineering changes until the Parties have agreed upon the changes to the Product's Specifications, delivery schedule and Product pricing and the Customer has issued a Purchase Order for the implementation costs to be borne by the Customer and the Cost of Inventory and Special Inventory on-hand and on-order that becomes obsolete in connection therewith (it being clarified that if Products, Inventory and Special Inventory are cancelled as affected by the ECO then such Products, Inventory and Special Inventory will be invoiced and paid by Customer as per Section 3.2).

5. TOOLING, NON-RECURRING EXPENSES, SOFTWARE

Flextronics shall provide tooling that is not Product-specific at its expense. Customer shall pay for or obtain and consign to Flextronics any Product-specific tooling (including all necessary materials, tools, prototypes and other equipment) and all other reasonably necessary non-recurring expenses, to be set

Customer. Customer grants Flextronics a non exclusive license to use Customer Tooling: (i) only for the purposes required to perform Flextronics's obligations under this Agreement; (ii) subject to the terms and conditions set forth in Section 1.2 above; (iii) provided Flextronics will not by itself or knowingly allow any third parties to (a) delete, modify, alter, reverse engineer, or change software incorporated in Customer Tooling, or make inoperable authorization keys or license control utilities, or decompile or perform reverse engineering of such software, or modify, adapt, translate or make derivative works based on such software; (b) sell, sublicense, rent, lease disclose, distribute, publish, copy, transfer or otherwise make such software available to any party other than Customer, or allow third parties other than Customer to use such software; and (iv) provided Flextronics will not transfer the license granted under this section to any third party, all except as otherwise required for the purposes of this Agreement but subject to Customer's, prior written approval. All software developed by Flextronics (excluding any software which is a work for hire Product pursuant to this Agreement) to support the process tooling or otherwise shall be and remain the sole and exclusive property of Flextronics.

6. EXPRESS LIMITED WARRANTY

Flextronics warrants that the Products will be manufactured in accordance with Specifications and in compliance with those laws and regulations of the State of Israel without reference to its choice of law rules, to the extent applicable to the manufacture of Products at Flextronics and will be free from defects in workmanship for a period of [* * *] from the date of production (the "Warranty Period"). In addition, Materials are warranted to the same extent that the original manufacturer warrants the Materials and Flextronics passes such warranties through to Customer. This express limited warranty does not apply to (a) Customer Tooling (b) Materials consigned or supplied by Customer to Flextronics; (c) defects resulting wholly or partially, from Customer's Specifications or the design of the Products; and (d) Product that has been abused, damaged, altered or misused by any person or entity after title passes to Customer. With respect to New Product Introduction ("NPI") services, first articles, prototypes, pre-production units, test units or other similar Products, Flextronics makes no representations or warranties whatsoever. Notwithstanding anything else in this Agreement or otherwise, Flextronics assumes no liability for or obligation related to the performance accuracy of the Specifications or defects of or due to tooling, designs or instructions produced or supplied by Customer and Customer shall be liable for all costs and/or expenses incurred by Flextronics related thereto.

Upon any failure of a Product to comply with the above warranty, Flextronics's sole obligation, and Customer's sole remedy, is for Flextronics, at its option, to promptly repair or replace such unit and return it to Customer freight from point of original delivery to be paid by Flextronics. Customer shall return Products covered by the warranty after completing a failure report and obtaining a return material authorization number from Flextronics to be displayed on the shipping container.

Notwithstanding the foregoing, where such Products consist of [* * *], Flextronics shall not repair the [* * *] returned but same shall be replaced with new [* * *] supplied by Customer, and Customer shall be credited at the end of each quarter for the price of each [* * *] returned during the quarter and found defective under Warranty up to a total number of [* * *] that is equal to [* * *] of the [* * *] delivered by Flextronics to Customer during the last [* * *]

quarters, less the amount of [* * *] replaced as aforesaid during such period. Where such Products consist of [* * *], Flextronics shall repair or replace such [* * *] as aforesaid, using its best reasonable commercial efforts to do so within 15 working days of receipt of the [* * *] by Flextronics. Flextronics shall prepare a failure report with respect to the failure of such Products for submission to Customer. Customer shall bear all risks, costs and expenses, associated with Products that have been returned to Flextronics not covered under the warranty above. Customer will provide its own warranties directly to any of its end users or other third parties. Customer will not pass through to end users or other third parties the warranties made by Flextronics under this Agreement. Furthermore, Customer will not make any representations to end users or other third parties on behalf of Flextronics, and Customer will expressly indicate that the end users and third parties must look solely to Customer in connection with any problems, warranty claim or other matters concerning the Product.

EXCEPT AS SPECIFICALLY SET FORTH HEREIN, FLEXTRONICS MAKES NO OTHER WARRANTIES OR CONDITIONS ON THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THIS AGREEMENT OR COMMUNICATION WITH CUSTOMER, AND FLEXTRONICS SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. QUALITY ASSURANCE ARRANGEMENTS

The parties shall follow the quality assurance arrangements set out in [Schedule 7](#).

8. PAYMENT TERMS, ADDITIONAL COSTS AND PRICE CHANGES

8.1 Price and Payment Terms. The price for Products to be manufactured will be agreed by the Parties and will be indicated on the Purchase Orders issued by Customer and accepted by Flextronics. The initial price shall be as set forth on the Price List attached hereto and incorporated herein as Appendix C. The initial price for Products should be reviewed on a quarterly basis by the Parties. Any changes and timing of changes shall be agreed upon in writing by the Parties. All prices quoted are exclusive of VAT and customs taxes and same shall be borne by Customer. Any other tax, cost or levy will be borne by each Party according to applicable law. Payment for any Products, services or other costs to be paid by Customer hereinabove, shall be due [* * *] from the end of the month in which the invoice is received unless expressly provided otherwise in this Agreement and may be made by check or wire transfer. Customer agrees to pay [* * *] monthly interest on all late payments (including all payments set forth in Section 3 that are late). In Q1 and Q2 of 2010, Customer shall pay 30 days from the end of the month in which the invoice is received.

8.2 Maintain Credit Line. Customer agrees to provide the following financial information required by Flextronics from time to time in order to make a proper assessment of the creditworthiness of Customer: financials statements, P&L, balance sheet and cash flow statements. Customer will act in good faith in order to provide Flextronics with any additional financial information that Flextronics may reasonably require regarding such creditworthiness review. The foregoing information provided to Flextronics shall be deemed to be the confidential and proprietary information of Customer and shall not be disclosed by Flextronics to

any third party or used by Flextronics for any purpose except for the purpose of assessing the creditworthiness of Customer as expressly stated above or for the purpose of recovering over due amounts from Customer hereunder. Flextronics will, in good faith, review Customer's creditworthiness periodically and may provide more favorable terms once it is of the opinion that it is prudent to do so.

8.3 Credit Review. Flextronics' obligations to perform under this Agreement is conditioned upon its assessment from to time of Customer's creditworthiness in accordance with Section 8.3 above and of the risks associated therewith. As of the Effective Date, based, *inter alia*, on financial information provided by Customer, Flextronics approved a credit limit for Inventory, Special Inventory and accounts receivable from Customer as notified to Customer separately. This credit limit shall remain valid until further written notice by Flextronics. In the event Flextronics wishes to decrease the credit limit, it will give Customer a prior written notice, as follows:

- (1) In case of a material adverse change in Flextronics condition, as determined by Flextronics in good faith at its sole discretion — 60 days;
- (2) In case of a material adverse change in Customer condition, as determined by Flextronics in good faith at its sole discretion — 7 days;
- (3) In case of a material adverse change in market conditions, as determined by Flextronics in good faith at its sole discretion — 30 days;

during which time the Parties will consult and endeavor in good faith to agree in writing, on the best way to mitigate the effect of the forthcoming change, by any one or more of the following means:

- (i) Customer will reduce the Forecast for Products;
- (ii) Customer will advance payments in order to reduce Flextronics' exposure, or
- (iii) Customer will obtain and maintain a stand-by letter of credit in favor of Flextronics, all in agreed form and substance.

It is clarified and agreed that as long as Customer has promptly provided Flextronics with the information required in accordance with Section 8.2 above and promptly advised Flextronics of any material adverse change in its financial condition, then Flextronics may cease to take additional risk and suspend its performance hereunder only following the lapse of the aforesaid prior notice period or until such agreement is reached and implemented, whichever is earlier; otherwise Flextronics may do so immediately upon giving said notice.

8.4 Standard Cost. For the purpose hereof, the term "**Standard Cost**" shall be defined as the cost for Materials as mutually agreed between the Parties. The Parties shall apply the following process for setting Standard Costs:

14

8.4.1 Standard Costs shall be set for all Materials, on a Quarterly basis. Standard Costs shall be fixed for each Quarter and shall be adjusted in each subsequent Quarter.

8.4.2 Flextronics shall submit updated Standard Costs to Customer in the first week of the last month of each Quarter. The new proposed Standard Cost shall reflect the Materials price changes. Standard Costs shall be mutually agreed between the Parties during the second week of the last month in the Quarter. Product pricing for the next Quarter shall be based on the new Standard Costs and shall become effective on the first day of the Quarter. Products prices will be set based on the new mutually agreed Standard Cost for all quantities of exiting customer Purchase Orders.

8.4.3 In case Customer requests to increase Product quantities beyond the quantities indicated in Section 3.2 above and as a result of such increase the accumulated actual Purchase Price required to fulfill the additional quantities, of any component, exceeds that component's Standard Cost multiplied by quantity ordered 14 more than 300 USD during the Quarter, Flextronics shall contact Customer for written approval prior to the purchase of any more of such component. Customer shall respond to such purchase price variance ("**PPV**") requests within five (5) business days. Customer shall be deemed to have given its approval unless it delivers Flextronics a clear written advice to the contrary within said period. Flextronics is hereby granted a waiver from requesting written approval if the quarterly accumulated variant per component is between 0 USD and up to 300 USD quarterly accumulated on all components.

8.5 Purchase Price Variance Reconciliation and Inventory Revaluation. PPV reconciliation will be applicable in cases when Purchase Orders are placed after the date at which the Standard Cost was in effect and the actual purchase price of any component exceeds its Standard Cost. For those cases Flextronics undertake to request prior approval from Customer before placing purchase orders with suppliers in excess of 300 USD per order line during the Quarter all other parts are approved automatically. There are two types of request Flextronics can ask for regarding price changes: (i) temporary price changes and (ii) fixed price changes.

Temporary price changes may be requested for reasons such as rescheduling delivery dates, temporary allocation or other reasons. In such cases where Customer approved the change, the Standard Cost will remain the same for the next quarter and Flextronics will debit Customer's account for the difference in price immediately.

Fixed price changes may be requested for reasons such as allocation market price change or other reasons. In such cases where Customer approved the change, the Standard price will be changed in the next quarter and Flextronics will debit Customer's account for the difference in price at the end of the quarter. The amount will be calculated as follows: (Qty. of parts received in Flextronics inventory in last quarter that were purchased in increased price * price difference).

8.6 Reevaluation of Inventory. After Customer has approved in writing the New Price List Report, Flextronics shall perform a reevaluation to the current inventories, in order to enable the immediate use of the new prices listed in the New Price List Report. Flextronics shall provide Customer with a pricing Variances per Item Report which will include the revaluation

15

results (the “**Pricing Variances per Item Report**”). The reevaluation shall be performed in accordance with the following formula. The reevaluation shall be performed in accordance with the following formula, and Flextronics shall issue a respective invoice to be paid by Customer within ten (10) days from the date of invoice, or a credit note, as applicable:

A=old price (per Item)
B=the new price (per Item)
C=quantity within the inventory
D=amount for debit/credit pursuant to the reevaluation per Item.
 $D=C*(A-B)$

8.7 WIP & Finished Goods. At the end of each Quarter after the new Standard Cost of each part was steered a new price for the product will be calculated by Flextronics and presented to Customer. Those prices will take effect on the first day of the following Quarter.

8.8 Additional Costs. Customer is responsible for (a) any and all expediting charges reasonably necessary because of a change in Customer’s requirements which charges are pre approved, (b) any overtime charges based on manpower tariffs approved in advance by Customer, incurred as a result of delays in the normal production or interruption in the workflow process caused by Customer’s change in the Specifications.

9. TERM AND TERMINATION

9.1 Term. The term of this Agreement shall commence on the date hereof and shall continue for two years thereafter (hereinafter the “**Initial Term**”) unless terminated as provided in Section 9.2. After the expiration of the Initial Term (unless this Agreement has been terminated earlier), this Agreement shall be automatically renewed for separate but successive one year terms.

9.2 Termination. This Agreement may be terminated by (a) Flextronics for any reason subject to [* * *] days prior written notice to the Customer, provided that Flextronics may not exercise such right within the first 9 months of the term of this Agreement; (b) Customer for any reason subject to 90 days prior written notice to Flextronics; (c) by either Party if the other party defaults in the performance of any material terms or conditions of this Agreement (including any delivery or payment obligation) and such default continues unremedied for a period of 30 days after the delivery of written notice thereof by the terminating Party to the other Party, provided that if the defaulting party is able and is using good faith efforts to cure such default and requires more time to complete such cure, the time to remedy the default shall be extended by an additional 15 days; (d) as specifically provided in this Agreement, or (e) by either Party upon the other Party seeking an order for relief under the bankruptcy laws of the State of Israel or similar laws of any other jurisdiction, a composition with or assignment for the benefit of creditors, or dissolution or liquidation proceedings are initiated by or against the other party and not withdrawn within 60 days or an attachment or similar encumbrance is levied over a substantial part of the other party’s assets and is not removed within 60 days.

16

Expiration or termination of this Agreement under any of the foregoing provisions shall not affect: (i) the amounts due under this Agreement by either Party that exist on the date of expiration or termination, and as of such date onwards the provisions of Sections 3.2, 3.4 and 3.5 shall apply with respect to payment and shipment to Customer of finished Products, Inventory, and Special Inventory in existence as of such date. For the sake of clarity: upon termination, Flextronics will cease all Work and Customer shall thereupon pay to Flextronics all amounts stated in Section 8 hereof for all completed Products, and as provided in Section 3.4 for any and all semi-finished products, Inventory, Special Inventory and Dead Inventory; (ii) any obligation due by Flextronics for the delivery and warranty of any Product(s) ordered prior to termination of this Agreement even if delivery date and/or warranty period related to said Product(s) is due after the expiration or termination date; and (iii) Customer’s rights, including without limitation Customer’s rights in Customer’s IP and Products, and any other rights granted to Customer under this Agreement. In the event of any expiration or termination of this Agreement, all rights granted to Flextronics under this Agreement in respect of Customer’s IP, shall immediately terminate, and upon payment by Customer of any outstanding amounts due hereunder, Flextronics shall return to Customer all of Customer’s confidential and proprietary information in its possession and under its control, Flextronics shall coordinate with Customer the return of all Customer Tooling, and Customer shall bear all related expenses thereto. Notwithstanding termination or expiration of this Agreement, Sections, 3, 6, 8, 9.2, 10, and 11 shall survive said termination or expiration.

10. LIABILITY, LIMITATION

10.1 Patents, Copyrights, Trade Secrets, Other Proprietary Rights. Customer shall defend, indemnify and hold harmless Flextronics from all claims, liabilities, costs, damages, judgments and attorney’s fees resulting from or arising out of any alleged and/or actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights related to the Product or third party claims relating to Customer’s instructions, tooling, specifications and designs (“**Claims**”) provided that: (i) Flextronics will provide the Customer with prompt written notice of any Claim no later than three business days following receipt of notice by Flextronics; (ii) Flextronics will grant Customer sole control of the defense and settlement of Claims, taking into account any reasonable request of Flextronics; provided that in case such settlement materially affects Flextronics’s business, such settlement shall be subject to Flextronics’s prior written approval; (iii) Flextronics will provide Customer with reasonable assistance, at Customer’s sole expense; and (iv) Customer assumes no liability for any Claims to the extent that such Claims result from the use by Flextronics of specifications other than the Specifications or from a material breach by Flextronics of the license set out in Section 1.2 above which breach was notified to Flextronics in writing and it has failed to cure same within 15 days of such notification. If such Claim is brought, or Customer in good faith determines a Claim is likely to be made, Customer shall notify Flextronics and either: (a) procure for Flextronics the right to continue to perform this Agreement; (b) modify the Specification so that there will no longer be an infringement or misappropriation or (c) terminate this Agreement and pay Flextronics the consideration due under this Agreement for the Work performed until the date of termination, including all payments set forth in Section 3.

10.2. Flextronics shall defend, indemnify and hold harmless Customer from all claims, liabilities, costs, damages, judgments and attorney’s fees resulting from or arising out of any alleged and/or

17

actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights as a result of workmanship and manufacturing methods employed by Flextronics, but excluding Claims as defined above (“**Manufacturing Claims**”); provided that: (i) Customer will provide Flextronics with prompt written notice of any Manufacturing Claim no later than three business days following receipt of notice thereof by Customer; (ii) Customer will grant Flextronics sole control of the defense and settlement of

Manufacturing Claims, taking into account any reasonable request of Customer; provided that in case such settlement materially affects Customer's intellectual property rights, such settlement shall be subject to Customer's prior written approval; and (iii) Customer will provide Flextronics with reasonable assistance, at Flextronics's sole expense. If a Manufacturing Claim is brought, or Flextronics in good faith determines a Manufacturing Claim is likely to be made, Flextronics shall notify Customer and either: (a) procure for Customer the right to continue to perform this Agreement; or (b) modify its manufacturing methods so that there will no longer be an infringement or misappropriation or (c) terminate this Agreement; provided however, that where Flextronics exercises its right to terminate pursuant to subsection (c) above, Flextronics shall, in good faith, provide a minimal period of time, not to exceed 180 days, during which Customer could reasonably be expected to establish alternate manufacturing arrangements (the "**Transition Period**"), and shall notify Customer in writing accordingly. For the avoidance of doubt, during the Transition Period, the parties shall continue to perform their respective obligations pursuant to this Agreement. Notwithstanding the foregoing, Customer shall have the right, no later than 7 days from said notice date, to request the managing partners of the auditors of Flextronics and Customer to jointly nominate an expert they deem qualified for the following purposes as soon as possible (the "**Expert**"). The Expert shall have the power and authority, following discussions with both parties, to extend (up to 180 days as aforesaid) or shorten the Transition Period if he considers the period provided by Flextronics to be unreasonable. The Expert shall also have the power and authority to determine which of the parties or both shall bear the cost of the process. The Expert shall be required to determine the length of the Transition Period within 10 days from the date he accepts the nomination. The Expert shall deliver a written resolution setting forth his reasoning. Such resolution shall be final, conclusive and non-appealable.

THE FOREGOING STATES THE ENTIRE LIABILITY OF THE PARTIES TO EACH OTHER CONCERNING INFRINGEMENT OF PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS.

10.3 No Other Liability. EXCEPT WITH RESPECT TO A BREACH OF SECTION 1.2 [LICENSE] OR SECTION 11.1 [CONFIDENTIALITY], IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF THIS AGREEMENT OR THE SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

18

11. MISCELLANEOUS

11.1 Confidentiality. All information and data exchanged between the Parties, written, verbally or in other media (provided verbal information shall be reduced within 60 days as of its delivery to writing), prior, during or after this Agreement, *inter alia* for the purpose of enabling Flextronics to manufacture and deliver Products under this Agreement (the "**Purpose**"), including intellectual property, patents, trademarks, trade secrets, algorithms, customers lists, and any other material related to the manufacturing of the Products, which may have been exposed to the receiving party, in any form and shape, shall be deemed to be "**Confidential Information**". The Parties will treat any such information according to the non-disclosure agreement (hereinafter "**NDA**") executed between the Parties and attached as Appendix D hereto. Without derogating from the provisions of the NDA, a party that receives Confidential Information will not disclose it directly or indirectly to any third party without the prior written consent of the disclosing party except to carry out the Purpose and provided that any such third party is bound by non-disclosure terms no less restrictive than those set out in the NDA and this section. Confidential Information disclosed pursuant to this Agreement shall be maintained confidential during the term of this Agreement and for a period of five (5) years after any expiration or termination of this Agreement. Either party shall hold the existence and terms of this Agreement confidential, unless it obtains the other party's express written consent otherwise, *provided, however*, that the Parties consent to disclose this Agreement shall not be unreasonably withheld in the event a Party requests disclosure (a) to its employees, consultants and affiliates as necessary for the performance of its obligations pursuant to this Agreement; and/or (b) to actual and potential business partners, actual and potential investors in each Party's company, and bankers and other financial institutions who have a need to know such information in order to enable a party to obtain financing; and/or (c) governmental authorities, as may be required by applicable law. All documents and other tangible objects containing or representing Confidential Information and all copies thereof will be and remain the exclusive property of the disclosing party. Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, or other intellectual property right of the other party, nor will this Agreement grant any party any rights in or to the Confidential Information of the other party, except as expressly set forth in this Agreement.

11.2 Entire Agreement. This Agreement, and all annexes hereto, constitutes the entire agreement between the Parties with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the Parties relating to such transactions. In all respects, this Agreement shall govern and supersede any other documents related to the Work contemplated herein including, without limitation, preprinted terms and conditions on Customer's purchase orders and these shall be of no force and effect.

11.3 Amendments, Schedules and Appendices. This Agreement may be amended only by written consent of both parties. Each Schedule and Appendix hereto is incorporated herein by this reference. The parties may amend any Schedule and Appendix from time to time by entering into a separate written agreement, referencing such Schedule and Appendix and specifying the amendment thereto, signed by an authorized representative of each of the parties.

11.4 Headings. Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.

19

11.5 Independent Contractor. Neither party shall, for any purpose, be deemed to be an agent of the other party and the relationship between the parties shall only be that of independent contractors. Neither party shall have any right or authority to assume or create any obligations or to make any representations or warranties on behalf of any other party, whether express or implied, or to bind the other party in any respect whatsoever.

11.6 Insurance. During the term of this Agreement, each of Flextronics and Customer agrees to maintain appropriate insurance to cover its risks under this Agreement with coverage amounts commensurate with levels in their respective markets. Customer shall maintain insurance for finished Products or Materials for which the risk of loss passes to Customer pursuant to this Agreement.

11.7 Force Majeure. In the event that either party is prevented from performing or is unable to perform any of its obligations under this Agreement (other than a payment obligation) due to any Act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, destruction of production facilities, riot, insurrection, Materials unavailability, or any other cause unknown to the Parties at the execution of this Agreement which is beyond the reasonable control of the party invoking this section, and if such party shall have used its commercially reasonable efforts to mitigate its effects, *inter alia* as part of DRP (Disaster Recovery Plan) program, such Party shall give prompt written notice to the other Party regarding the circumstances surrounding such preventing event, its

performance shall be excused, and the time for the performance shall be extended for the period of delay or inability to perform due to such occurrences. Regardless of the excuse of Force Majeure, if such Party is not able to perform within 90 days after such event, the other Party may terminate the Agreement. Notwithstanding anything to the contrary herein or otherwise, neither party may rely on the aforesaid provisions or on any force majeure circumstance applicable by law as an excuse for non-payment.

11.8 Successors, Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns and legal representatives. Neither Party shall have the right to assign or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other party, not to be unreasonably withheld. Notwithstanding the aforesaid, (i) Flextronics shall be entitled to assign its rights to be paid hereunder to banks or first tier financial institutions, and (ii) to the extent Customer shall first pay in full all debts and liabilities in accordance with this Agreement, Flextronics will give its consent for Customer to transfer and/or assign this Agreement to any company controlling Customer (directly or indirectly), controlled by Customer or to the surviving entity in the event of any merger or acquisition. It being clarified and agreed that Flextronics may consider in good faith any such assignment as a material adverse change in Customer's condition in accordance with section 8.3 and require a security without prior notice. Following any such assignment by Customer, Flextronics shall be entitled to terminate this Agreement by an advanced written notice of 180 days.

11.9 Notices. All notices required or permitted under this Agreement will be in writing and will be deemed received (a) when delivered personally; (b) when sent by facsimile, evidenced by a written confirmation; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two (2) days after deposit with a commercial overnight carrier. All communications will be sent to the addresses set forth above

20

or to such other address as may be designated by a party by giving written notice to the other Party pursuant to this section.

11.10 Set-off. Amounts due in connection with this Agreement may not be set off except with mutual prior written consent. Flextronics may, at anytime in its sole discretion, apply any amount that may be due and/or received from Customer in credit of any Customer's liability, whether or not conditional, contingent and/or quantified.

11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

11.12 Customer Guaranty. Customer hereby unconditionally guarantees to Flextronics the full and prompt compliance by all Customer Affiliates (as hereinafter defined) with the terms and conditions of this Agreement, whether now existing or later arising (the "**Guaranteed Obligations**"). This guarantee is absolute, continuing, unlimited and independent and will not be affected, diminished or released for any reason. Customer waives (i) diligence, presentment, demand for payment, protest or notice of any default or nonperformance by any Customer Affiliate, (ii) notice of waivers or indulgences given to any Customer Affiliate and (iii) all defenses, offsets and counterclaims against Flextronics, any right to the benefit of any security or statute of limitations, and any requirement that Flextronics proceed first against a Customer Affiliate or any collateral security and all other suretyship defenses. Until the Guaranteed Obligations have been paid and performed in full, Customer will not enforce any right of subrogation. Customer shall indemnify, defend and hold Flextronics and its affiliates harmless from any and all claims by any Customer Affiliates to the extent that such claims are inconsistent with the terms and conditions of this Agreement. For purposes of this Section 11.12, "**Customer Affiliates**" means affiliates of Customer who purchase Products from Flextronics or any of its affiliates.

11.13 Disputes Resolution.

(i) Any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof shall be exclusively settled in arbitration in accordance with substantial Israeli law. The arbitrator shall be Adv. Ram Caspi or Adv. Robi Bachar if Ram Caspi is unavailable or unwilling to serve in such capacity or, if Robi Bachar is also unavailable or unwilling to serve in such capacity, as shall be determined by the President of the Israeli Bar at the request of any party hereof.

(ii) Without derogating from rights of termination as detailed in this Agreement, it is clarified that Flextronics will continue to provide the Work and Customer shall continue to perform its obligations hereunder during any arbitration or legal proceedings commenced pursuant to this Section 11.12(i) above and the existence of a dispute shall not enable Flextronics to stop the Work or services or otherwise not timely perform its obligations or enable Customer to stop payments or otherwise not timely perform its obligations, except that Flextronics shall be entitled to demand appropriate securities, such as bank guarantees and pre-payments as a condition to the continued performance thereby of any further Work.

21

(iii) The foregoing shall not affect the right of the parties to seek injunctions, winding up or bankruptcy process before the competent Court.

11.14 Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the state of Israel, without giving effect to choice of law rules. Subject to Section 11.123(i) the competent courts in Tel-Aviv shall have exclusive jurisdiction on any dispute arising hereunder. Section 11.123(i) shall not apply to disputes as to a breach of confidentiality obligations under this Agreement;

11.15 Even-Handed Construction. The terms and conditions as set forth in this Agreement have been arrived at after mutual negotiation, and it is the intention of the parties that its terms and conditions not be construed against any party merely because it was prepared by one of the parties.

11.16 Controlling Language. This Agreement is in English only, which language shall be controlling in all respects. All documents exchanged under this Agreement shall be in English.

11.17 List of Appendices and Schedules. The following Appendices and Schedules, attached hereto, form an integral part of this Agreement:

- (i) Appendix A: Logistics Data
- (ii) Appendix B: Products and Specifications
- (iii) Appendix C: Price List

- (iv) Appendix D: NDA
- (v) Schedule 1.4: Restrictive Work
- (vi) Schedule 3.2: Safety Stock
- (vii) Schedule 7: QA Arrangements

[Remainder of page intentionally left blank]

[Signature page to Manufacturing Services Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date written above:

SolarEdge Technologies Ltd.

Flextronics (Israel)

By: _____

By: _____

Title: _____

Title: _____

General Terms

1. Incoterms 2000

For the purposes hereof all costs of imported components are based on vendor's FOB prices at the closest port (geographically) Israel

2. Freight

The costs of imported components hereunder are based on sea transportation from vendor's origin to Flextronics.

3. Customs Drawbacks

Customer shall transfer to Electronics all amounts received by Customer as drawback from the Israeli custom authorities, in connection with the imported components, immediately upon receiving such drawback. Customer shall use the services of a drawback specialist, designated by Flextronics and approved by Customer, in order to receive such drawback.

Any commitment by Flextronics is subject to the vendors observance of this Logistic Data and to Flextronics actual production capacity at the relevant time.

Item	Desc		Mpg	Mpg	LT		Effective date	Item status		
D1020E	PCB Digis	pur	4	4	70	SOLAREEDGE	[* * *] 01/10/2009	Dead	Customer cat no	[* * *]
D1020F	digital boar	pur	4	4	40	CCTC	[* * *] 27/01/2010	Active	SOLAREEDGE	[* * *]
D1020F	digital boar	pur	4	4	40	GIA TZOONG	[* * *] 27/01/2010	Active	SOLAREEDGE	[* * *]
D1020F	digital boar	pur	4	4	40	SOLAREEDGE	[* * *] 07/10/2009	Active	SOLAREEDGE	[* * *]
D1025C	PCB DCB	pur	1	1	75	SOLAREEDGE	[* * *] 01/10/2009	Dead	Customer cat no	[* * *]
D1025E	Power boar	pur	1	1	40	CCTC	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1025E	Power boar	pur	1	1	40	GIA TZOONG	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1044C	Portia- LCD	pur	2	2	40	CCTC	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1044C	Portia- LCD	pur	2	2	40	GIA TZOONG	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1045B	Power- Sup	pur	8	8	40	CCTC	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1045B	Power- Sup	pur	8	8	40	GIA TZOONG	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1056C	PCB for G	pur	4	4	40	CCTC	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1056C	PCB for G	pur	4	4	40	GIA TZOONG	[* * *] 27/01/2010	Active	Customer cat no	[* * *]
D1072A	PCB for V	pur	1	1	40	CCTC	[* * *] 27/01/2010	Active	SOLAREEDGE	[* * *]
D1072A	PCB for	pur	1	1	40	GIA TZOONG	[* * *] 27/01/2010	Active	SOLAREEDGE	[* * *]

D1072A	V PCB for V	pur	1	1	40	SOLAREEDGE	[* * *]	03/12/2009	Active	SOLAREEDGE	[* * *]
ECI-CC-90226	CAP 22UF	pur	1000	1000	75	NIPPON CHEMI CON	[* * *]	21/09/2009	Dead	NIPPON CHEMI CON	[* * *]
ECI-CE-23906	CAP EL 39	pur	1000	1000	100	NIPPON CHEMI CON	[* * *]	02/08/2009	Active	Customer cat no	[* * *]

<u>Item</u>	<u>Desc</u>		<u>Mpg</u>	<u>Mpg</u>	<u>LT</u>			<u>Effective date</u>	<u>Item status</u>		
ECI-CE-23906	CAP EL 39	pur	1000	1000	100	RUBYCON	[* * *]	16/12/2009	Active	Customer cat no	[* * *]
ECI-CE-40476	CAP TH 4	pur	8000	2000	100	RUBYCON	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CE-50019	CAP TH 1	pur	1000	1000	75	NIPPON CHEMI CON	[* * *]	16/12/2009	Dead	NIPPON CHEMI CON	[* * *]
ECI-CE-50228	CAP TH 2	pur	800	800	75	NIPPON CHEMI CON	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECI-CE-70476	CAP SMT	pur	1000	1000	100	NIPPON CHEMI CON	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CE-90019	CAP 1000	pur	600	600	100	SIC SAFECO	[* * *]	02/08/2009	Active	SIC SAFECO	[* * *]
ECI-CE-90356	CAP TH 3	pur	2000	2000	100	NIPPON CHEMI CON	[* * *]	02/08/2009	Active	NIPPON CHEMI CON	[* * *]
ECI-CE-90477	CAP TH 4	pur	8000	2000	100	RUBYCON	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CE-9A557	CAP ELEC	pur	800	500	100	NIPPON CHEMI CON	[* * *]	22/11/2009	Active	NIPPON CHEMI CON	[* * *]
ECI-CF-90335	CAP CER	pur	70	70	100	VISHAY	[* * *]	18/10/2009	Active	Customer cat no	[* * *]
ECI-CF-90684	CAP REG	pur	6376	5376	100	WIMA(WILHELM WESTRMANN)	[* * *]	08/11/2009	Active	Customer cat no	[* * *]
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[* * *]	11/10/2009	Active	Customer cat no	[* * *]
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[* * *]	08/11/2009	Active	Customer cat no	[* * *]
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[* * *]	11/10/2009	Active	Customer cat no	[* * *]
ECI-CF-94703	CAP TH 47	pur	5000	500	100	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CF-9X474	CAP TH 47	pur	10000	100	100	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CN-00048	Black star	pur	1	1	70	KANG YANG HARDWARE ENTERPRISES	[* * *]	27/10/2009	Dead		[* * *]
ECI-CN-00092	Modular J	pur	1	1	75	AMTEK	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-CY-90014	CAP TH 1	pur	1	1	60	WIMA(WILHELM WESTRMANN)	[* * *]	31/08/2009	Dead		[* * *]
ECI-CY-90222	CAP TH C	pur	10500	750	100	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECI-CY-90223	CAP TH 2	pur	1	1	50	WIMA(WILHELM WESTRMANN)	[* * *]	31/08/2009	Dead		[* * *]
ECI-CY-92014	CAP RAD	pur	5000	1000	100	VISHAY	[* * *]	01/09/2009	Active	Customer cat no	[* * *]
ECI-CY-97223	CAP TH 2	pur	5250	750	100	VISHAY	[* * *]	01/09/2009	Active	Customer cat no	[* * *]
ECI-DC-0632A	RELAY 30	pur	50	50	70	SONG CHUAN	[* * *]	08/12/2009	Active	Customer cat no	[* * *]
ECI-DC-2600L	SURGE A	pur	300	50	60	LITTELFUSE	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-DC-A9DEF	POWER	pur	100	40	75	ZETTLER COMPONENTS INC	[* * *]	02/08/2009	Dead	ZETTLER COMPONENTS INC	[* * *]
ECI-IF-3063T	OPTOCO	pur	1	1	60	FAIRCHILD	[* * *]	02/08/2009	Dead	FAIRCHILD	[* * *]
ECI-IF-P797J	OPTOCO	pur	400	50	45	TOSHIBA	[* * *]	08/12/2009	Active	TOSHIBA	[* * *]
ECI-IF-W3120	OPTOCO	pur	84	42	60	AVAGO TECHNOLOGIES	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-IF-XBP24	XBee PRC	pur	1	1	60	DIGI INTERNATIONAL USA	[* * *]	01/12/2009	Active	DIGI INTERNATIONAL USA	[* * *]
ECI-IN-00000	IC THTRA	pur	2500	1	75	VAC	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-IN-00002	CHOKE D	pur	1	1	75	SMP	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-IN-00003	CHOKE S	pur	1	1	75	KASCHKE SMARTPOWER	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-IN-00801	IC TH lp	pur	2500	1	75	VAC	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-IN-	Filters TH	pur	1200	1260	75	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA	[* * *]

07634										MANUFACTURING	
ECI-IN-11487	Transform	pur	1400	100	70	PAYTON	[* * *]	03/12/2009	Active	Customer cat no	[* * *]
ECI-IN-11487	Transform	pur	1400	100	70	XFMRS	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
ECI-IN-20216	CHOKE C	pur	1080	1	75	MAGNETICS L.T.D.	[* * *]	06/01/2010	Active	Customer cat no	[* * *]
ECI-IN-30201	CHOKE C	pur	1000	1000	70	MAGNETICS L.T.D.	[* * *]	06/01/2010	Active	Customer cat no	[* * *]
ECI-IN-40031	IC TH tran	pur	5000	1	75	VAC	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-RE-00153	RES TH 1	pur	1	1	60	VISHAY	[* * *]	18/10/2009	Dead	Customer cat no	[* * *]
ECI-RE-03102	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	30/09/2009	Active	YAGEO	[* * *]
ECI-RE-03162	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECI-RE-X0100	NTC CUR	pur	3000	3000	70	AVXKYOCERA	[* * *]	29/11/2009	Active	EPCOS	[* * *]

25

<u>Item</u>	<u>Desc</u>		<u>Mpg</u>	<u>Mpg</u>	<u>LT</u>			<u>Effective date</u>	<u>Item status</u>		
ECI-RE-X0100	NTC CUR	pur	3000	3000	70	EPCPS	[* * *]	29/11/2009	Active	EPCOS	[* * *]
ECI-RE-X0150	Therm/stor	pur	2250	2250	70	AVXKYOCERA	[* * *]	28/10/2009	Dead	Customer cat no	[* * *]

26

ECI-RE-X0683	RES TH 6	pur	5000	5000	70	MULTICOMP	[* * *]	02/06/2009	Active	MULTICOMP	[* * *]
ECI-RE-Y0034	THERMIS	pur	1	1	70	EPCOS	[* * *]	30/09/2009	Active	Customer cat no	[* * *]
ECI-SW-FSM2J	Switches S	pur	1000	1000	75	KINGTEK	[* * *]	02/08/2009	Active	KingTEK	[* * *]
ECI-TR-APT68	high speed	pur	800	800	40	MICROSEMI	[* * *]	02/09/2009	Active	Customer cat no	[* * *]
ECI-VR-2220S	VARISTOP	pur	3000	3000	70	EPCOS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECI-VR-87222	VARISTOP	pur	1600	1600	70	EPCOS	[* * *]	02/08/2009	Active	EPCOS	[* * *]
ECS-AC-64020	LV ASIC 6	pur	1	1	60	SOLAREEDGE	[* * *]	22/12/2009	Active	Customer cat no	[* * *]
ECS-AM-2363U	IC HS CM	pur	1500	75	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]
ECS-AM-2356A	IC SMT OP	pur	75	75	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]
ECS-AM-2374A	IC SMT OP	pur	2500	2500	100	TEXAS INSTRUMENTS	[* * *]	22/10/2009	Active	Customer cat no	[* * *]
ECS-AM-2461C	IC SMT R	pur	3000	50	100	TEXAS INSTRUMENTS	[* * *]	25/01/2010	Active	Customer cat no	[* * *]
ECS-AM-2484A	IC SMT OR	pur	50	50	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-AM-2721D	IC SMT OR	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	24/08/2009	Deed		
ECS-AM-2903M	IC SMD Lo	pur	95	95	84	NATIONAL SEMICONDUCTOR	[* * *]	02/08/2009	Active	NATIONAL SEMICONDUCTOR	[* * *]
ECS-AM-3492A	IC COMP A	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Deed		
ECS-AM-8039A	IC VOLT-F	pur	1000	98	85	ANALOG DEVICES	[* * *]	02/08/2009	Active	ANALOG DEVICES	[* * *]
ECS-BT-02330	BAT HOLD	pur	2500	1	50	KEYSTONE ELECTRONICS	[* * *]	02/08/2009	Active	KEYSTONE ELECTRONICS	[* * *]
ECS-BT-X2330	BATT LITH	pur	1	1	75	VIPOW	[* * *]	02/08/2009	Active	Customer cat no	[* * *]

ECS-CC-20016	CAP SMT	pur	3000	3000	100	KEMET ELECTRONICS	[* * *]	24/12/2009	Active	Customer cat no	[* * *]
ECS-CC-20016	CAP SMT	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	29/11/2009	Active	Customer cat no	[* * *]
ECS-CC-20225	CAP SMT	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	18/10/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-	Capacitor	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	30/09/2009	Active	Customer cat no	[* * *]

20226	2										
ECS-CC-20474	CAP CER	pur	3000	3000	100	AVX/KYOCERA	[* * *]	25/01/2010	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-20474	CAP CER	pur	3000	3000	100	KEMET ELECTRONICS	[* * *]	25/01/2010	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-20474	CAP CER	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-20475	CAP 1206	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-20684	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-20684	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	09/12/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-20684	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-2X225	CAP SMT	pur	2000	2000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-2X225	CAP SMT	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-2Y017	CAP SMT	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	02/08/2000	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-2Y681	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	17/12/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-2Y681	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	17/12/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-2Y681	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	17/12/2009	Active	MURATA MANUFACTURING	[* * *]

ECS-CC-2Y681	CAP CER	pur	4000	4000	100	VISHAY	[* * *]	17/12/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-30012	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-30012	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-30013	CAP 0805	pur	20000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30013	CAP 0805	pur	20000	4000	100	VISHAY	[* * *]	25/11/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30014	CAP SMD	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30014	CAP SMD	pur	4000	4000	100	VISHAY	[* * *]	25/11/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30015	CAP 0805	pur	4000	4000	100	AVX/KYOCERA	[* * *]	18/10/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30016	CAP CER	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-30070	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	18/10/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-30105	CAP CER	pur	3000	3000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-30105	CAP CER	pur	3000	3000	100	KEMET ELECTONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-30105	CAP CER	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-30153	CAP SMT	pur	16000	4000	75	AVX/KYOCERA	[* * *]	18/08/2009	Dead	Customer cat no	[* * *]
ECS-CC-30153	CAP SMT	pur	16000	4000	75	MURATA MANUFACTURING	[* * *]	25/11/2009	Dead	Customer cat no	[* * *]
ECS-CC-30200	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-CC-30200	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	Active	Customer cat no	[* * *]

ECS-CC-30220	CAP SMT	pur	4000	4000	100	KEMET ELECTONICS	[* * *]	02/08/2009	Active	KEMET ELECTONICS	[* * *]
ECS-CC-30220	CAP SMT	pur	4000	4000	100	VISHAY	[* * *]	25/11/2009	Active	KEMET ELECTONICS	[* * *]
ECS-CC-30222	CAP SMT	pur	1	1	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30222	CAP SMT	pur	1	1	100	VISHAY	[* * *]	25/11/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-30225	CAP SMD	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-CC-	CAP	pur	4000	4000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	Customer cat no	[* * *]

30472	CER											
ECS-CC-30472	CAP CER	pur	4000	4000	100	KEMET ELECTONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]	
ECS-CC-30472	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]	
ECS-CC-30472	CAP CER	pur	4000	4000	100	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]	
ECS-CC-30474	CAP SMT	pur	2000	2000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]	
ECS-CC-30474	CAP SMT	pur	2000	2000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]	
ECS-CC-30474	CAP SMT	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	Active	MURATA MANUFACTURING	[* * *]	
ECS-CC-30680	CAP SMT	Pur	12000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-CC-30680	CAP SMT	pur	12000	4000	100	KEMET ELECTRONICS	[* * *]	25/01/2010	Active	Customer cat no	[* * *]	
ECS-CC-30680	CAP SMT	pur	12000	4000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	Active	Customer cat no	[* * *]	
ECS-CC-30680	CAP SMT	pur	12000	4000	100	VISHAY	[* * *]	25/01/2010	Active	Customer cat no	[* * *]	
ECS-CC-36C8X	CAP SMT	pur	4000	4000	75	MURATA MANUFACTURING	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	

Quality Appendix

Table of Contents

1.	General	2
2.	Terms and Abbreviations	2
3.	Applicable Documents	2
4.	Priorities	2
5.	Contract Management	3
6.	Reports	3
7.	Engineering	3
8.	Manufacturing	4
9.	Procurement:	5
10.	Management Systems	5

1. **General**

This document specifies all the requirements of Flextronics to be fulfilled within its Quality Management System with respect to the Products ordered by Customer under the Agreement executed by and between the Parties (the: “**Agreement**”).

2. **Terms and Abbreviations**

- 2.1 ATP/R — Acceptance Test Plan/Results
- 2.2 CFC — Chlorofluorocarbon (Freon Gas)
- 2.3 FTP/R — Final Test Procedure/Results
- 2.4 QP — Quality Plan
- 2.5 QM — Quality Management
- 2.6 TS — Test Equipment
- 2.7 ESD — Electro Static Discharge

3. **Applicable Documents**

The following standards shall be in place in their latest version or as otherwise specifically written in the respective Specifications/Production File of the Product in question:

- 3.1 ISO-9001: 2000 Quality Systems — model for quality assurance in design, production, installation and maintenance/ service, hereinafter ISO 9001.
- 3.2 ISO- 14001: Model for Environmental Management Systems.
- 3.3 IPC A-610 — Acceptability of Electronic Assemblies
- 3.4 ISO 2859 Sampling Procedures and Tables for Inspection by Attributes.
- 3.5 S20.20 Electrostatic Discharge Control Program Standard.
- 3.6 4.13 ISO 18001 — Occupational health & safety management system.
- 3.7 IPC-7711/7721 — Rework, Modifications and Repair of Electronic Assemblies

4. Priorities

The finished product shall comply with all the requirements contained in this document and with the production file (as amended through ECO), all subject to Flextronics Expressed Limited Warranty under the Agreement.

2

In the event of non-compliance between the requirements contained in the various contract documents, the priorities are as follows:

- 4.1 Production File (as amended through ECO).
- 4.2 Requirements as specified in this document.

5. Contract Management

Flextronics and Customer shall separately appoint a quality manager for the contract. The parties shall exchange with each other the particulars of the respective quality managers in writing upon contract signing.

The quality managers shall coordinate execution of the quality plan, track performance. Customer's quality manager shall be authorized to approve matters that impact on quality and quality issues in the contract (for example: documentation, changes, nonconformities, etc.), to the extent such authorizations were requested by Flextronics.

6. Reports

- 6.1 Flextronics shall provide to Customer a monthly-basis quality report. The report shall include activities completed in the period reported.
- 6.2 Flextronics shall also supply to Customer a bi-weekly statistics reports. The content and format of the reports shall be coordinated with Customer's Quality Assurance Manager.
- 6.3 The report layout sent to Customer at the beginning of each month, shall be in accordance with the quality plan approved by Customer's Quality Assurance Manager.

7. Engineering

7.1.1 Deviations and Waivers

Any deviation or waiver, in respect of the production file liable to affect form, fit or function, shall require the advance written authorization of Customer's quality manager.

7.1.2 Approval of Documents

All documents within production shall be submitted to Flextronics for approval. Flextronics is responsible for converting relevant documents to Flextronics filing system subject to an ECO mechanism.

3

7.2 Process Monitoring & Control

7.2.1 Approval — General

Flextronics shall adapt its work process in accordance with the production file sent by Customer and approved by Flextronics, as shall be amended through ECO

7.2.2 Changes

8. Manufacturing

8.1 ESD

The ESD arrangements established and maintained by Flextronics shall be based on the IPC standards specified in Section 3 hereof taking into account the following ESD system aspects:

- 8.1.1 Sufficient ESD System including well-defined procedure, specifications, checklists, templates, etc.
- 8.1.2 Sufficient level of resistance (measured in Q), as described in the foregoing standard (work surfaces, tables, floors, footwear, wrist straps, etc.)

8.2 Prototypes

8.2.1 New products should be processed with the involvement of Customer's representatives:

- Quality Management will test, verify and approve prototypes according to a FAI process.
- Customer's NPI representative will check the examples according to appropriate procedures.

The move to the pre-production stage will depend upon the above documented approvals

8.3 During standard production, Flextronics implement its internal FAI process based on Flextronics procedure: SMT GEN WI 8

8.4 QA

8.4.1 SolarEdge will have the right to place QA and QC personnel on the production line following prior coordination with Flextronics.

4

8.4.2 Flextronics will notify Customer, within no more than 24 hours, regarding any deviations from the QA requirements under this document that is related to SE products promptly when they learn of it.

8.5 Yield

- 8.5.1 All units which fail FT or BI will be logged and reported.
- 8.5.2 Fixing these failed units will be under guidelines of Customer's FA engineer enclosed herewith as integral part hereof. An agreed group that will include Flextronics representatives and SolarEdge's FA engineer is the only group that can verify these units didn't suffer degradation in Reliability.
- 8.5.3 Units that had failed FT or BI and can not be repaired will be logged and reported by Flextronics and purchased for their respective BOM price and paid for by Customer within 30 days of being reported; it is clarified that any such units that cannot be repaired in accordance with said guidelines as a direct result of Flextronics' defective workmanship, shall not be purchased by Customer as aforesaid.

9. Procurement:

9.1 Flextronics will perform the following QA procedures on material they procure for SE products. QA plan will be defined by SE and Flextronics and for the meantime shall be as follows.

- 9.1.1 QA, COC and packing check on all mechanical parts.
- 9.1.2 Authenticity, dating and packing on all electronic components, including PCBs
- 9.1.3 Authenticity, dating and packing on all materials and glues.

10. Management Systems

10.1 Quality Management System

Flextronics Quality Assurance system complies with the requirements of ISO-9001, ISO- 14001, OHSAS 18001, ISO-13485. Product Testing and Inspection

- 10.1.1 Product tests and inspections shall be performed by Flextronics qualified employees. It is Customer's responsibility to provide all test stations and appropriate training to Flextronics employees.
- 10.1.2 Customer will provide each station with its own specification checklist and test procedures.

5

- 10.1.3 Customer shall assure that only valid calibration equipment is used for product acceptance.
- 10.1.4 Any change to Circuit Testing (ICT), procedure, expected results, and allowed tolerances of the results must be done with Customer's approval.
- 10.1.5 The result of each test done — whether ICT, Functional Test, Burn-In or other — shall be logged in the Quality Management System and be visible to Customer.

10.2 Audits and Inspections of the Production Facility

- 10.2.1 Audits performed in Flextronics site by the Customer will be previously confirmed by Flextronics and agreed upon by both parties, at least 72 hours in advance.
- 10.2.2 The quality managers shall agree for an appropriate schedule.
- 10.2.3 Production line will be regularly audited by Flextronics internal Auditor, as described in Flextronics procedure Q.A_GEN_PR_17

10.3 Workmanship

Workmanship shall be in accordance with IPC-A-610: Acceptability of Electronic Assemblies and with IPC-7711/7721 — Rework, Modifications and Repair of Electronic Assemblies (latest revisions). All Customers products and circuits will be considered Class 3 High Performance Electronic Products, and defined in the standards mentioned. However, some specific alleviations from the standard will be offered by SolarEdge.

Manufacturing Services Agreement

This Manufacturing Services Agreement (“**Agreement**”) is entered into effective as of February 14th 2010 (the “**Effective Date**”) by and between SolarEdge Technologies Ltd., having its place of business at 1 Abba Eban Blvd., Herzliya, Israel (“**Customer**”), and Flextronics (Israel) Ltd., having its place of business at Migdal-Haemek, P.O.B 867, Israel (“**Flextronics**”). (Customer and Flextronics shall be referred to hereinafter individually as a “**Party**” and collectively as the “**Parties**”).

Whereas, Customer has created a market for Customer's Products (as defined below) and is solely responsible for the sales and marketing of the Products; and

Whereas, Flextronics has developed processes and practices for manufacturing products for many different electronic applications and at Customer's request desires to manufacture Customer's Products in accordance with Customer's applicable specifications all subject to the terms and conditions contained herein; and

Whereas, Customer acknowledges that Flextronics's expertise is manufacturing and that Flextronics's responsibility related to the Customer's Products is limited to this extent;

Now, therefore, the Parties, intending to be legally bound, hereby agree as follows:

1. WORK, LICENSE, DEFINITIONS

1.1 Work. Flextronics agrees to perform the Work as defined in Section 1.3 herein pursuant to Purchase Orders, forecasts or changes thereto issued by Customer and accepted by Flextronics subject to and in accordance with the terms and conditions stipulated in this Agreement.

1.2 License. Flextronics is hereby granted by Customer a non-exclusive, nontransferable license limited for the term of this Agreement to use Customer's patents, trade secrets and other intellectual property, as well as all the Specifications, relevant documentation and files, (collectively referred to hereinafter as “**Customer's IP**”) provided by Customer to Flextronics for the sole and exclusive purpose of performing Flextronics's obligations under this Agreement. Customer shall retain full and sole ownership in Customer's IP, including to any developments and/or enhancements related thereto devised by Flextronics, and Customer's IP shall not be affected or limited in any manner whatsoever due to Flextronics's right to use such Customer's IP for the purpose of performing this Agreement. Customer's IP shall remain the confidential information of Customer as more fully described in Section 11.1. By providing Flextronics the right to use Customer's IP, for the sole purpose of performing this Agreement, Customer does not grant any express or implied right to Flextronics to or under any patents, copyrights, trademarks, or trade secret included in or related to Customer's IP other than as expressly set forth above.

Flextronics shall use Customer's IP only in a manner and form pre-approved by Customer or pursuant to this Agreement. Flextronics will not misuse or divulge in any manner Customer's IP, and Flextronics will not, and will not knowingly allow any third parties to: (i)

delete or modify any Customer's IP proprietary notices which appear on or in the Product(s) or its related documents, including the Specifications; (ii) directly or indirectly modify, change, alter or otherwise tamper with the Specifications and/or the Product(s) and/or or modify, adapt, reverse engineer, translate or make derivative works based on the Specifications and/or Product(s); (iii) sell, sublicense, rent, lease, disclose, distribute, publish, copy, transfer or otherwise make the Specifications and/or Product(s) available to any third party other than Customer, or allow third parties other than Customer to use the Specifications and/or Product(s); and (iv) copy the documentation related to the Products — all except as otherwise provided for in this Agreement.

If at any time, Flextronics becomes aware of any breach of the provisions of Section 1.2 above, it shall promptly notify Customer in writing. Upon becoming aware of such breach, Flextronics shall promptly use its best efforts to cure such breach to ensure that its use of Customer's IP shall comply with this Agreement. In the event a cure is not effected within 30 days period, then, Customer may terminate the license granted herein with respect to all non-conforming uses until the standards of use are restored and Flextronics receives written notice from Customer that it may resume said uses of Customer IP.

1.3 Definitions. Flextronics and Customer agree to the following definitions:

“Approved Vendor List” or “AVL”	Shall mean a list of manufacturers currently approved by Customer to provide the Materials specified in the bill of materials for the Product.
“Cost”	As it relates to Inventory and Special Inventory, Excess Inventory and Dead Inventory shall mean the cost represented on the bill of materials supporting the most current Product price at the time of issuance of a Materials Liability Report, cancellation of a Purchase Order or termination of this Agreement.
“Customer Controlled Materials”	Shall mean certain Materials (including all MDI components) provided by suppliers with whom Customer has a commercial contractual or non-contractual relationship, and I which are included in the AVL.
“Customer Controlled Materials Terms”	Shall mean the terms and conditions that Customer has negotiated with its suppliers for the purchase of Customer Controlled Materials and which are acceptable to Flextronics.
“Customer Supplied Inventory”	Shall mean Inventory or Special Inventory purchased by Flextronics, directly from the Customer.
“Customer Supplied Inventory Terms”	Shall mean the terms and conditions for the purchase of Customer Supplied Inventory Terms as agreed between the Parties.

“Disputes”	Shall have the meaning set forth in Section 11.12 below.
“Economic Order Materials”	Shall mean Materials purchased in quantities greater than the required amount in the Forecast, in order to achieve price targets for such Materials.
“Forecast”	Shall have the meaning set forth in Section 2.1 below.
“Inventory”	Shall mean any Materials or hand or on order that are acquired based on the Logistics Data pursuant to Customer’s Forecast.
“Lead Time(s)”	Shall mean in Section 2.3 the lead time recorded on Flextronics’s MRP system at the time of procurement of Inventory and Special Inventory or at the time of the cancellation of the purchase order or termination or expiration of this Agreement.’
“Logistics Data”	Shall mean material procurement policy such as: Lead Time, Long Lead Time, Economic Order Inventory, Minimum Order Quantity (MOQ), Order Multiple, Cancellation Window and Order Period and production capacity parameters all as defined in <u>Appendix A</u> attached hereto or as mutually agreed in writing.
“Long Lead Time Materials”	Shall mean Materials with Lead Times exceeding 13 weeks.
“Materials”	Shall mean labor, components, materials and supplies that are used in the manufacturing, testing, packaging, and distribution of Products.
“Minimum Order Quantity Materials”	Shall mean Materials purchased or ordered in excess of the requirement in the Forecast because of minimum lot sizes available from manufacturers.
“Purchase Order/s” or “Purchase order/s”	Purchase orders for Products issued by Customer in accordance with the terms hereof and accepted by Flextronics.
“Product”	Shall mean the products described in <u>Appendix B</u> .
“Reports and Metrics”	Shall mean Customer Reports and Metrics that are defined by Customer and attached to this Agreement or otherwise mutually agreed by the parties in writing and will be provided by Flextronics on a periodical basis.

“Restrictive Work”	Shall have the meaning set forth in Section 1.4 below.
“Special Inventory”	Shall mean any Long Lead Time Materials, Minimum Order Quantity Materials and/or Economic Order Materials, on hand or on order.
“Specifications”	Shall mean the written specifications for each Product to be produced and provided by Customer, which shall include bill of Materials (including AVL), designs, schematics, assembly drawings, process documentation, test specifications, current revision number and any additional information reasonably requested by Flextronics or otherwise required hereunder. The initial Specifications are attached to <u>Appendix B</u> (Product List) and same may be updated by Customer from time to time subject to Flextronics advance written consent.

“Vendors”

Shall mean those vendors listed in the Approved Vendor List.

“Work”

Shall mean the manufacturing and delivery of the Products to Customer in accordance with and subject to the terms of this Agreement including: the procurement of Inventory and Special Inventory, allocation of the required manpower, implementation of planning and control of the manufacturing process, execution of the integrating processes, assembling, testing, and packing of the products, all of the foregoing pursuant to detailed written Specifications for each such Product which are attached to this Agreement and the delivering of such Products in accordance with Customer’s Purchase Orders issued in accordance with the terms hereof and accepted by Flextronics.

1.4 Subcontractors. Flextronics may not subcontract or outsource any part of the Work defined in Schedule 1.4 hereto to any subcontractor or third party (for the purpose hereof **“Restrictive Work”**) without the prior written consent of Customer which shall not be unreasonably withheld or delayed. For the avoidance of doubt it is clarified that the use by Flextronics of personnel services shall not be deemed as subcontracting or outsourcing in any way. Flextronics shall at all times remain responsible and liable for the acts and omissions of any such subcontractors to the same extent it would have been otherwise responsible and liable hereunder. Flextronics shall take reasonable commercial steps to ensure that in no event may a subcontractor further subcontract or outsource those obligations subcontracted or outsourced to it to any third party.

ECS-CC-3A013	CAP SMT	pur	1000	1000	75	AVX/KYOCERA	[* * *]	02/08/2009	Dead	AVX/KYOCERA	[* * *]
ECS-CC-3A013	CAP SMT	pur	1000	1000	75	KEMET ELECTRONICS	[* * *]	25/11/2009	Dead	AVX/KYOCERA	[* * *]
ECS-CC-3A015	CAP SMT	pur	1000	1000	100	KEMET ELECTRONICS	[* * *]	03/11/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-3A015	CAP SMT	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-3B013	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-CC-3B013	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	25/01/2010	Active	Customer cat no	[* * *]
ECS-CC-3B013	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	Active	Customer cat no	[* * *]
ECS-CC-3B013	CAP SMT	pur	4000	4000	100	VISHAY	[* * *]	29/11/2009	Active	Customer cat no	[* * *]
ECS-CC-3C332	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3C332	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	KEMET ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J331	CAP CER	pur	1000	1000	100	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J581	CAP CER	pur	1000	1000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	Customer cat no	[* * *]

ECS-CC-3J581	CAP CER	pur	1000	1000	100	KEMET ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J581	CAP CER	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3J581	CAP CER	pur	1000	1000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3K472	CAP CER	pur	1000	1000	100	AVX/KYOCERA	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3K472	CAP CER	pur	1000	1000	100	KEMET ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-CC-3K472	CAP CER	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	09/12/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3R200	CAP CER	pur	1	1	60	MURATA MANUFACTURING	[* * *]	10/01/2010	DEAD	Customer cat no	[* * *]
ECS-CC-3X011	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X011	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X151	CAP CER	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X151	CAP CER	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]

3X151	CER										
ECS-CC-3X220	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	VISHAY	[* * *]
ECS-CC-3X220	CAP SMT	pur	4000	4000	100	VISHAY	[* * *]	02/08/2009	ACTIVE	VISHAY	[* * *]
ECS-CC-3X222	CAP 0402	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3X330	CAP SMT	pur	1	1	60	KEMET ELECTRONICS	[* * *]	18/08/2009	DEAD		
ECS-CC-3X470	CAP SMD	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3X470	CAP SMD	pur	10000	10000	100	KEMET ELECTRONICS	[* * *]	25/11/2009	ACTIVE	KEMET ELECTRONICS	[* * *]

ECS-CC-3X471	CAP SMT	pur	1	1	75	KEMET ELECTRONICS	[* * *]	25/11/2009	DEAD	Customer cat no	[* * *]
ECS-CC-3X471	CAP SMT	pur	1	1	75	MURATA MANUFACTURING	[* * *]	02/08/2009	DEAD	Customer cat no	[* * *]
ECS-CC-3X472	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	18/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-3X680	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	02/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3X681	CAP SMD	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X681	CAP SMD	pur	10000	10000	100	KEMET ELECTRONICS	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X681	CAP SMD	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3X682	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3X682	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3X822	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3X822	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3X822	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3Y012	CAP SMD	pur	1	1	75	AVX/KYOCERA	[* * *]	02/08/2009	DEAD	Customer cat no	[* * *]
ECS-CC-3Y012	CAP SMD	pur	1	1	75	EPCOS	[* * *]	25/11/2009	DEAD	Customer cat no	[* * *]
ECS-CC-3Y013	CAP CER	pur	4000	4000	70	AVX/KYOCERA	[* * *]	22/11/2009	DEAD		
ECS-CC-3Y015	CAP 1206	pur	2500	2500	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Y015	CAP 1206	pur	2500	2500	100	KEMET ELECTRONICS	[* * *]	16/12/2009	ACTIVE	Customer cat no	[* * *]

ECS-CC-3Y123	CAP SMT	pur	1	1	60	AVX/KYOCERA	[* * *]	18/08/2009	DEAD		
ECS-CC-3Y123	CAP SMT	pur	1	1	60	MURATA MANUFACTURING	[* * *]	25/11/2009	DEAD		
ECS-CC-3Y151	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-3Y221	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	18/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Y222	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Y222	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	25/11/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Y222	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Y330	CAP SMT	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Y330	CAP SMT	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	29/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Y331	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-3Y331	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-3Y332	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	02/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Y332	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	03/12/2009	ACTIVE	Customer cat no	[* * *]

3Y470	CER											
ECS-CC-3Y470	CAP CER	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	03/12/2009	ACTIVE	Customer cat no	[* * *]	
ECS-CC-3Y470	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	03/12/2009	ACTIVE	Customer cat no	[* * *]	
ECS-CC-3Z012	CAP SMT	pur	10000	10000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	AVX/KYOCERA	[* * *]	
ECS-CC-3Z012	CAP SMT	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]	

ECS-CC-3Z012	CAP SMT	pur	10000	10000	100	VISHAY	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3Z013	CAP CER	pur	1	1	100	AVX/KYOCERA	[* * *]	22/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Z014	CAP 063	pur	4000	4000	100	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Z014	CAP 063	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-3Z105	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	02/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-3Z222	CAP CER	pur	10000	10000	100	AVX/KYOCERA	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3Z222	CAP CER	pur	10000	10000	100	KEMET ELECTRONICS	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3Z222	CAP CER	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	17/12/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-3Z331	CAP SMT	pur	10000	10000	75	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-40013	CAP SMT	pur	4000	4000	75	AVX/KYOCERA	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40014	CAP SMT	pur	4000	4000	70	TDK	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40015	CAP SMT	pur	2500	2500	100	KEMET ELECTRONICS	[* * *]	18/08/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-40015	CAP SMT	pur	2500	2500	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	KEMET ELECTRONICS	[* * *]
ECS-CC-40016	CAP SMT	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	18/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-40331	CAP CER	pur	4000	4000	100	AVX/KYOCERA	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40331	CAP CER	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40391	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	Customer cat no	[* * *]

ECS-CC-40391	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	16/12/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40391	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	16/12/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40391	CAP SMT	pur	4000	4000	100	VISHAY	[* * *]	16/12/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-40472	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-4X013	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-4X013	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-4X013	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-4X013	CAP SMT	pur	4000	4000	100	VISHAY	[* * *]	25/01/2010	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-4X225	CAP CER	pur	1000	1000	100	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50016	CAP SMD	pur	2000	2000	100	AVX/KYOCERA	[* * *]	01/10/2009	ACTIVE	AVX/KYOCERA	[* * *]
ECS-CC-50017	CAP SMT	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50017	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	07/12/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50223	CAP SMT	pur	4000	4000	100	AVX/KYOCERA	[* * *]	18/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50225	CAP SMT	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-50225	CAP SMT	pur	4000	4000	75	AVX/KYOCERA	[* * *]	18/08/2009	DEAD	AVX/KYOCERA	[* * *]

50470	SMT										
ECS-CC-50470	CAP	pur	4000	4000	75	KEMET ELECTRONICS	[* * *]	16/12/2009	DEAD	AVX/KYOCERA	[* * *]
ECS-CC-50470	SMT										
ECS-CC-50470	CAP	pur	4000	4000	75	MURATA MANUFACTURING	[* * *]	16/12/2009	DEAD	AVX/KYOCERA	[* * *]
ECS-CC-50470	SMT										
ECS-CC-50470	CAP	pur	4000	4000	75	VISHAY	[* * *]	16/12/2009	DEAD	AVX/KYOCERA	[* * *]
ECS-CC-50475	SMT										
ECS-CC-50680	CAP	pur	10000	10000	100	AVX/KYOCERA	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50680	SMT										
ECS-CC-50680	CAP	pur	10000	10000	100	MURATA MANUFACTURING	[* * *]	25/11/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-50680	SMT										
ECS-CC-5X017	CAP	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-5X226	SMT										
ECS-CC-5X226	CAP	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-5Y016	SMT										
ECS-CC-5Y016	CAP	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-70017	SMT										
ECS-CC-70017	CAP	pur	2000	2000	100	AVX/KYOCERA	[* * *]	16/12/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-70017	SMD										
ECS-CC-70017	CAP	pur	2000	2000	100	KEMET ELECTRONICS	[* * *]	16/12/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-70017	SMD										
ECS-CC-70017	CAP	pur	2000	2000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	MURATA MANUFACTURING	[* * *]
ECS-CC-70017	SMD										
ECS-CC-70475	SMT										
ECS-CC-70475	CAP	pur	3000	3000	100	MURATA MANUFACTURING	[* * *]	02/08/2009	ACTIVE	Customer cat no	[* * *]
ECS-CC-7Y016	SMT										
ECS-CC-7Y016	CAP	pur	4000	4000	100	AVX/KYOCERA	[* * *]	16/12/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-7Y016	SMT										
ECS-CC-7Y016	CAP	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	16/12/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-7Y016	SMT										
ECS-CC-7Y016	CAP	pur	4000	4000	100	MURATA MANUFACTURING	[* * *]	18/08/2009	Active	KEMET ELECTRONICS	[* * *]
ECS-CC-7Y016	SMT										
ECS-CC-90013	SMT										
ECS-CC-90013	CAP	pur	4000	4000	75	KEMET ELECTRONICS	[* * *]	14/10/2009	Dead	Customer cat no	[* * *]
ECS-CC-90014	SMT										
ECS-CC-90014	CAP	pur	2000	2000	100	AVX/KYOCERA	[* * *]	18/10/2009	Active	AVX/KYOCERA	[* * *]
ECS-CC-90226	SMT										
ECS-CC-90226	CAP	pur	1	1	60	MURATA MANUFACTURING	[* * *]	18/08/2009	Dead		
ECS-CC-90391	SMT										
ECS-CC-90391	CAP	pur	4000	4000	100	AVX/KYOCERA	[* * *]	16/12/2009	Active	Customer cat no	[* * *]
ECS-CC-90391	CER										
ECS-CC-90391	CAP	pur	4000	4000	100	KEMET ELECTRONICS	[* * *]	27/10/2009	Active	Customer cat no	[* * *]
ECS-CC-90391	CER										
ECS-CC-91003	SMT										
ECS-CC-91003	CAP	pur	1000	1000	60	AVX/KYOCERA	[* * *]	27/10/2009	Dead		
ECS-CC-9A105	SMT										
ECS-CC-9A105	CAP	pur	2000	1000	75	AVX/KYOCERA	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-CC-9X226	SMT										
ECS-CC-9X226	CAP	pur	1	1	60	AVX/KYOCERA	[* * *]	25/11/2009	Dead	Customer cat no	[* * *]
ECS-CC-9X226	SMT										
ECS-CC-9X226	CAP	pur	1	1	60	MURATA MANUFACTURING	[* * *]	25/11/2009	Dead	Customer cat no	[* * *]
ECS-CC-9X331	SMT										
ECS-CC-9X331	CAP	pur	4000	4000	75	AVX/KYOCERA	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-CC-9X331	CER										
ECS-CC-9X331	CAP	pur	4000	4000	75	KEMET ELECTRONICS	[* * *]	29/11/2009	Dead	Customer cat no	[* * *]
ECS-CC-9X331	CER										
ECS-CE-90476	SMT										
ECS-CE-90476	CAP	pur	1000	1000	100	PANASONIC	[* * *]	02/08/2009	Active	PANASONIC	[* * *]
ECS-CN-00053	SM										
ECS-CN-00053	CONN	pur	1000	1000	50	AMTEK	[* * *]	02/08/2009	Dead	AMTEK	[* * *]
ECS-CN-00061	femal										
ECS-CN-00061	1.5A	pur	1	1	70	AMTEK	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
ECS-CN-00061	femal										
ECS-CN-00061	1.5A	pur	1	1	70	COXOC	[* * *]	05/01/2010	Active	Customer cat no	[* * *]
ECS-CN-50151	PON										
ECS-CN-50151	TEST	pur	1	1	70	KEYSTONE ELECTRONICS	[* * *]	07/12/2009	Active	Customer cat no	[* * *]
ECS-DA-5627B	DA										
ECS-DA-5627B	IC SMT	pur	500	50	85	ANALOG DEVICES	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-DC-04371	SM										
ECS-DC-04371	FUSE	pur	3000	3000	50	LITTELFUSE	[* * *]	02/08/2009	Active	LITTLEFUSE	[* * *]
ECS-DC-04371	DC/DC										
ECS-DC-04371	pur	1	1	60	RECOM	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	

0515S	com											
ECS-DC-40210	IC CUR M	pur	2500	2500	100	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DC-5410D	IC STEP-D	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Dead			
ECS-DC-54233	IC STP OM	pur	2500	2500	100	TEXAS INSTRUMENTS	[* * *]	30/09/2009	Active	TEXAS INSTRUMENTS	[* * *]	
ECS-DC-60403	IC UNREG	pur	250	250	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]	
ECS-DC-62200	IC DC-DC	pur	3000	3000	100	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DC-64203	IC STEP-D	pur	250	250	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]	
ECS-DC-LM431	IC Adjustable	pur	1000	1000	60	NATIONAL SEMICONDUCTOR	[* * *]	22/11/2009	Active	Customer cat no	[* * *]	
ECS-DC-LV431	LOW VOL	pur	1	1	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
ECS-DC-OP244	IC SWITCH	pur	2000	2000	60	POWER INTEGRATION	[* * *]	22/11/2009	Active	Customer cat no	[* * *]	
ECS-DC-OP247	IC TH SW	pur	1	1	60	POWER INTEGRATION	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
ECS-DI-04148	DIODE SW	pur	15000	3000	45	FAIRCHILD	[* * *]	01/09/2009	Active	Customer cat no	[* * *]	
ECS-DI-0SSS38	DIODE SM	pur	3000	3000	45	FAIRCHILD	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-12P10	DIODE SC	pur	1	1	45	VISHAY	[* * *]	18/08/2009	Dead			
ECS-DI-12P12	DIODE SC	pur	1500	1500	45	VISHAY	[* * *]	05/11/2009	Active	Customer cat no	[* * *]	
ECS-DI-160T3	Power Real	pur	2500	2600	45	ON SEMICONDUCTOR	[* * *]	02/08/2009	Active	ON SEMICONDUCTOR	[* * *]	
ECS-DI-16E31	DIODE SC	pur	7200	7200	45	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-2000T	DIODE SM	pur	3000	3000	45	ZETEX	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-2040C	DIODE SM	pur	800	800	45	VISHAY	[* * *]	02/08/2009	Dead	VISHAY	[* * *]	
ECS-DI-3002G	DIODE SM	pur	1000	1000	45	STMICROELECTRONICS	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-330T3	DIODE SM	pur	5000	2500	45	ON SEMICONDUCTOR	[* * *]	02/08/2009	Active	ON SEMICONDUCTOR	[* * *]	
ECS-DI-350TR	DIODE SC	pur	2500	2500	45	ON SEMICONDUCTOR	[* * *]	22/11/2009	Active	Customer cat no	[* * *]	
ECS-DI-4762A	DIODE ZE	pur	1800	1800	45	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-4C5V6	DIODE ZE	pur	18000	3000	45	FAIRCHILD	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-5235B	DIODE ZE	pur	15000	3000	45	ON SEMICONDUCTOR	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-5242B	DIODE ZE	pur	18000	3000	45	ON SEMICONDUCTOR	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-5242B	DIODE SM	pur	21000	3000	45	ON SEMICONDUCTOR	[* * *]	02/08/2009	Active	ON SEMICONDUCTOR	[* * *]	
ECS-DI-59560	Diode ZEN	pur	5000	2500	45	ON SEMICONDUCTOR	[* * *]	27/10/2009	Dead	ON SEMICONDUCTOR	[* * *]	
ECS-DI-84C15	DIODE ZE	pur	15000	3000	45	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]	
ECS-DI-84C18	DIODE ZE	pur	15000	3000	45	FAIRCHILD	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-DI-BAS16	DIODE BA	pur	21000	3000	50	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]	
ECS-DI-BAS21	BAS21 SC	pur	18000	3000	30	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]	
ECS-DI-BAV70	DIODE UL	pur	15000	3000	45	FAIRCHILD	[* * *]	18/08/2009	Active	FAIRCHILD	[* * *]	
ECS-DI-BYGZ1	Rectifier SI	pur	1800	1800	60	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-DI-DF06S	BRIDGE R	pur	3000	1500	100	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	

1.5 Non-Competition. During a period commencing on the Commencement Date, as such term is defined below, and ending on the lapse of [* * *] from the Effective Date (the “**Exclusivity Period**”) Flextronics will not manufacture the Products and/or products that are both substitutable and substantially similar to the Products (“**Similar Products**”) at its facilities in Israel and the Ukraine for any direct competitor of the Customer (as defined below) without the Customer’s prior written consent, and Customer will manufacture Products and/or any Similar Products solely with Flextronics in Israel under the terms of this Agreement. For the purposes hereof, a “direct competitor of the Customer” shall mean any entity, company or venture operating in the field of “on the panel” distributed power harvesting for the photovoltaic market.

The foregoing non-competition arrangement shall commence on the date that the Customer provides written notice to Flextronics (the “**Commencement Date**”) that it has completed the manufacture of [* * *] Power Boxes and [* * *] Inverters with other manufacturers or on [* * *], whichever is earlier.

Once the non-competition arrangement has commenced as aforesaid, the Customer may terminate it at any time by giving 60 days advance written notice to Flextronics; In addition, in the event that the Customer engages third parties to manufacture Products and/or Similar Products for the Customer at any time *during* the Exclusivity Period, the non-competition arrangement set out above shall terminate automatically at such time.

It is acknowledged and agreed that the aforesaid reference in Flextronics’ non-compete obligation to its facility in the Ukraine refers to the facility operated by Flextronics’ sister company, Flextronics Beregovo, and is entered into above by virtue of Flextronics GMs’ operational responsibility for this facility and will be effective only for as long as such responsibility subsists therewith and only with regards to a direct competitor of the Customer that has a research and development center in Israel or otherwise operates in Israel directly or through an affiliate thereof but excluding for this purpose a mere sales/marketing presence.

2. FORECASTS, ORDERS, MATERIALS PROCUREMENT

2.1 Forecast. Customer shall provide Flextronics, on a monthly basis, at least 10 days prior to the end of the month in question, a rolling [* * *] month forecast indicating Customer’s best estimates of its Product requirements that is consistent with the Logistics Data and this Agreement (the “**Forecast**”). Flextronics shall promptly notify Customer of any notices received from Vendors that require changes in the Logistics Data. The Forecast shall be non-binding except with respect to Customer’s obligation to pay Flextronics for the purchase of Materials as expressly provided herein below.

2.2 Purchase Orders. Based on Customer’s requirements, Customer will issue from time to time, but no later than the 15th of each month, a written Purchase Order which specifies all Products to be delivered no later than 6 weeks commencing on the date of acceptance of the Purchase Order by Flextronics, in accordance with the most recent Forecast submitted. Each Purchase Order shall reference this Agreement and the applicable written Specifications. Flextronics shall accept each Purchase Order according to its terms (including the delivery date) within five 5 working days of receipt of such order provided that (i) Customer is meeting its

5

obligations pursuant to the credit arrangements extended by Flextronics, (ii) the Purchase Order is consistent with this Agreement, the Forecast and the Logistics Data and the Logistics Data is not changed by the Vendors, (iii) Customer has timely provided the security required pursuant to Section 8.3, if any, and (iv) Customer is not in material breach of the Agreement. Customer’s accepted Purchase Order shall constitute an irrevocable authorization for Flextronics to manufacture the Products, specified in the applicable Purchase Order. Customer may use its standard purchase order form to release items, quantities, prices, schedules, change notices, specifications, or other notices, subject to and in accordance with the terms and conditions provided for hereunder. Notwithstanding the foregoing, the Parties agree that the terms and conditions contained in this Agreement shall be the sole and exclusive terms and conditions related to the Work performed under this Agreement, unless the Parties hereto explicitly agreed otherwise in writing in each instance by an authorized signatory on their behalf.

2.3 Materials Procurement. Each Customer’s Forecast will constitute irrevocable authorization for Flextronics to procure Inventory and Special Inventory in compliance with the Logistics Data in order to manufacture the Products covered by such Forecast. For the avoidance of doubt, it is clarified that Customer is liable for Materials procured as aforesaid even in cases where Customer later issues an updated Forecast showing a decrease in demand.

Changes in Logistics Data will be reviewed and approved by Customer once per calendar quarter. Customer will either approve or ask to amend said policy (if necessary) within 10 days from receipt of such data from Flextronics based on changes in the commercial terms of the Materials (e.g., lead time, prices, etc.). If Customer has not requested an amendment within said period the Logistics Data shall be deemed approved. If Customer has requested such an amendment, it shall be subject to approval by Flextronics. Notwithstanding the foregoing, Flextronics shall promptly update Customer in writing of any Vendors’ notices of increase in the lead times of Long Lead Time Materials. For the avoidance of doubt, Flextronics shall provide such update promptly after any such increase is notified to it and shall not wait until the next quarterly revision of the Logistics Data.

Flextronics may purchase Long Lead-Time Materials sufficient to meet all deliveries under the Forecast, and may reasonably purchase Minimum Order Quantity Materials even if greater than the amount necessary to meet the quantities projected in the Forecast. Flextronics shall purchase Economic Order Inventory only subject to the prior written approval of Customer. Notwithstanding anything to the contrary herein or otherwise, where the excess amount purchased equals to [* * *] or less per line, same would be deemed to be reasonable purchase amounts in the case of Minimum Order Quantity Materials and no prior written consent is required from Customer in the case of Economic Order Inventory.

Flextronics shall use best reasonable commercial efforts in order to reduce the cost of the Materials procured, and of the performance of the Work.

2.4 Preferred Supplier. Simultaneously with the execution of this Agreement, Customer shall provide Flextronics with and maintain on an ongoing basis an Approved Vendor List (“**Vendors**”). Flextronics shall only purchase the Materials required to manufacture Products from Vendors listed in the then-current AVL. Customer shall allow Flextronics to suggest alternative vendors to be included in the AVL. Any such alternative vendor will be

6

included in the AVL only if Customer’s prior written approval was provided to Flextronics regarding such vendor.

2.5 Customer Controlled Materials. Customer may direct Flextronics to purchase Customer Controlled Materials and Customer Supplied Inventory in accordance with Customer Controlled Materials Terms and Customer Supplied Inventory Terms. Customer acknowledges that Customer Controlled Materials Terms and Customer Supplied Inventory Terms will directly impact Flextronics’ ability to perform under this Agreement and to provide Customer with the flexibility Customer is requiring pursuant to the terms of this Agreement. In the event that Flextronics reasonably believes that ‘Customer Controlled Materials Terms and Customer Supplied Inventory Terms will create an additional cost that is not covered by this Agreement, then Flextronics will notify

Customer and the Parties will agree to either (a) compensate Flextronics for such additional costs, (b) amend this Agreement to conform to Customer Controlled Materials Terms and/or Customer Supplied Inventory Terms, or (c) amend the Customer Controlled Materials Terms and/or Customer Supplied Inventory Terms to conform to this Agreement, in each case at no additional charge to Flextronics. Customer agrees to provide copies to Flextronics of all Customer Controlled Materials Terms and Customer Supplied Inventory Terms upon the execution of this Agreement and promptly upon execution of any new agreements with suppliers. Customer agrees not to make any modifications or additions to the Customer Controlled Materials Terms and Customer Supplied Inventory Terms or enter into new Customer Controlled Materials Terms and Customer Supplied Inventory Terms that will negatively impact Flextronics's procurement activities.

2.6 Location of Manufacturing. Manufacturing of all the Products shall initially be in Flextronics' factory in Israel. In the event that Customer manufactures, at Flextronics's factory in Israel, not less than [* * *] Products during each of two consecutive calendar quarters ([* * *] or more in aggregate), Customer shall have the right, upon written notice to Flextronics, to initiate the following action for committing to retain [* * *] of the total manufacturing of Products in revenue terms with Flextronics in Israel while transferring [* * *] of the total manufacturing of Products in revenue terms to Flextronics group facility in the Ukraine or to China at Customer's discretion. In the event that SolarEdge provides notice as aforesaid, Flextronics and Customer shall use their best commercial reasonable efforts to devise and implement a respective transfer plan with appropriate operational manufacturing lines in the location indicated in such notice within [* * *] from the date thereof. Flextronics shall provide Customer with a letter from EC Sykes (Head of Infrastructure Segment within Flextronics Group) supporting such efforts within 30 days from the Effective Date.

2.7 Cessation of Manufacturing. In the event that manufacturing of Products in Israel hereunder should cease or be suspended for any reason whatsoever in a manner that prevents Flextronics performance hereunder, Flextronics will promptly notify Customer thereof, provided that in no event shall such notice be given more than one day from such cessation or suspension.

3. SHIPMENTS, SCHEDULE CHANGE, CANCELLATION, STORAGE

3.1 Delivering and Shipments. All Products delivered pursuant to the terms of this Agreement shall be suitably packed for shipment in accordance with Customer's applicable

7

Specifications and marked for shipment to the destination specified in the applicable Purchase Order. Shipment terms will be to any Customer's designated facilities in Israel. Risk of loss and title to Products will pass to Customer upon delivery to the location in Israel designated in the Purchase Order. Any special packing expenses not included in the original price quotation for the Products, will be paid by Customer provided they were pre-approved by Customer in writing.

3.2 Quantity Increases and Shipment Schedule Changes. Customer may not cancel or otherwise change any accepted Purchase Orders. However, at Customer's request, Flextronics shall use best reasonable commercial efforts to enable the implementation of the change in question. Flextronics will obtain Customer's consent for any substantial additional cost that may be charged to Customer as a result of the change requested. To the extent the change requested is an increase in the quantity ordered, Flextronics may utilize for this purpose the Safety Stock (as hereinafter defined). For the purpose hereof, the term "Safety Stock" shall mean stock that Flextronics shall keep at its premises during the Term of this Agreement (as hereinafter defined) in the amounts detailed in Schedule 3.2 attached hereto. Customer shall pay Flextronics for the Safety Stock in accordance with Section 3.3 hereof.

3.3 Customer Responsibility for Materials, Inventory and Special Inventory. By the end of each calendar quarter, Flextronics shall provide to Customer a report listing for the end of such quarter: (i) all Dead Inventory (as hereinafter defined); and (ii) all Excess Inventory (as hereinafter defined) (the "Materials Quarterly Report"). Customer shall: (a) pay Flextronics an advance in the amount of [* * *] of the Cost of the Excess Inventory; and (b) purchase all Dead Inventory and pay Flextronics [* * *] of the Cost of all Dead Inventory (but only [* * *] in the case of Customer Supplied Dead Inventory), crediting any amount already paid on account thereof as Excess Inventory per subsection (a) above. Payment of the foregoing amounts for Dead Inventory in (b) above shall be made by Customer against the presentation of valid invoices by Flextronics. In the event such invoices are received by Customer by the 15th of the month, Customer shall pay by the end of such month; and in the event such invoices are received after the 15th of the month, Customer shall remit payment within 30 days from the end of the month in which the invoice was received.

"Excess Inventory" shall be defined as: (i) any Materials that remain in the Inventory and/or Special Inventory for more than [* * *]; or (ii) Inventory and Special Inventory which has been in Flextronics' possession for less than [* * *] but for which there is demand only with respect to the last three months of the most updated Forecast ([* * *] through [* * *] month), as determined by Flextronics in accordance with inventory keeping methods generally practiced by Flextronics. Flextronics will promptly notify Customer of any changes in said methods that would have a material affect on the calculation of the Excess Inventory for the purposes hereof.

"Dead Inventory" shall be defined as: (i) any Materials that remain in the Inventory and/or Special Inventory for more than [* * *]; and (ii) any Inventory and/or Special Inventory for which there is no demand in accordance with the most updated Forecast, as determined by Flextronics in accordance with inventory keeping methods generally practiced by Flextronics. Flextronics will promptly notify Customer of any changes in said methods that would have a material affect the calculation of the Excess Inventory for the purposes hereof.

8

Prior to invoicing Customer for the amounts due pursuant to this Section 3.3, Flextronics will use its best reasonable commercial efforts to return unused Dead Inventory and to cancel pending orders for such inventory, and to dispose of it either through integration in other products, or in any other reasonably commercial possible manner, in order to mitigate the amounts payable by Customer, it being clarified that any cancellation charges and other expenses shall be charged to Customer. Flextronics will ship the Dead Inventory paid for by Customer under this Section to Customer or as instructed by Customer in writing, but in any event in Israel, promptly upon said payment by Customer. In the event Customer does not pay as aforesaid, and without derogating from Flextronics's remedies under law, Flextronics will be entitled to dispose of such Inventory and Special Inventory in a commercially reasonable manner, including with respect to price and to credit Customer for any monies received from third parties in consideration of the sale of aforesaid Inventory and/or Special Inventory. If the consideration received shall be less than the amounts due to Flextronics, Flextronics shall submit an invoice for the balance amount due and Customer agrees to pay said amount in accordance with the arrangements set out in last sentence of the first paragraph of this Section 3.3. For the avoidance of doubt it is clarified that (i) risk to Dead Inventory shall pass to Customer upon delivery of the respective Materials Liability Report and title to Dead Inventory shall pass to Customer only upon full payment and delivery; and (ii) title to any other Inventory shall remain with Flextronics.

3.4 Cancellation of Orders and Customer Responsibility for Inventory and/or Special Inventory. Customer may cancel any portion of the Product quantity of an accepted Purchase Order at any time, provided that it pays Flextronics for Products, Inventory, and Special Inventory and expenses affected

by the cancellation as follows: (i) [* * *] of the current price for all finished Products in Flextronics's possession; (ii) [* * *] of the Cost of all Inventory and Special Inventory in Flextronics's possession (other than Customer Supplied Inventory) and not returnable without charge (unless the charge was approved by Customer) to the vendor or usable for other customers at Flextronics sole discretion, Whether in raw form or work in process; (iii) [* * *] of the Cost of all Inventory and Special Inventory on order (other than Customer Supplied Inventory) and not cancelable without charge (unless the charge was approved by Customer) or usable for other customers at Flextronics sole discretion; (iv) [* * *] of the Cost of Customer Supplied Inventory; (v) any vendor cancellation charges incurred with respect to Inventory and Special Inventory accepted for cancellation or return by the vendor provided such cancellation charges were approved in writing in advance by Customer; and (vi) expenses actually incurred by Flextronics related to extra labor cost and equipment arising in connection with the cancellation of any portion of Customer's accepted Purchase Orders. Customer shall pay all amounts due under this Section in accordance with the arrangements set out in last sentence of the first paragraph of Section 3.3. Without derogating from the aforesaid, Flextronics will use best reasonable commercial efforts to reduce the cost borne by Customer as a result of the Purchase Order's cancellation. Upon written demand from Customer, Flextronics will keep the Inventory and Special Inventory for an additional period of 180 days, for which Customer shall pay Flextronics storage charges of [* * *] per cubic meter per month. If the stored Inventory and Special; Inventory are not used during this 180 days period, Flextronics will ship such Inventory and Special Inventory paid for by Customer under this Section to Customer or as instructed by Customer in writing, but in any event in Israel, promptly upon the payment of all amounts then due hereunder by Customer including the storage charges. In the event Customer does not pay as aforesaid, and without derogating from Flextronics's remedies under

law, Flextronics will be entitled to dispose of such Inventory and Special Inventory in a commercially reasonable manner, including with respect to price and to credit Customer for any monies received from third parties in consideration of the sale of aforesaid Inventory and/or Special Inventory. If the consideration received shall be less than the amounts due to Flextronics, Flextronics shall submit an invoice for the balance amount due and Customer agrees to pay said amount in accordance with the arrangements set out in last sentence of the first paragraph of this Section 3.3. For the avoidance of doubt it is clarified that (i) risk to Inventory and Special Inventory shall pass to Customer upon cancellation, and (ii) title to same shall pass to Customer only upon full payment and delivery.

3.5 Customer Responsibility for Ordered Product; Storage of Ordered Product. In the event Customer does not arrange for the prompt pickup of Products ordered, even where the order is cancelled as provided in Section 3.4 above, and inspected by it under this Agreement within 21 days after being informed by Flextronics that such Products are ready for pickup in accordance with Customer's Purchase Order, then Customer hereby authorizes Flextronics to transfer such Products to a warehouse operated by Flextronics or a third party as instructed by Customer. Upon such transfer of said Product(s) to a third party warehouse, Flextronics will notify Customer regarding said transfer in writing, prior to such transfer. Such transfer, to the extent accompanied by such written notice, shall be considered a delivery and sale to Customer for all purposes of this Agreement, and title and risk of loss for such Products shall thereupon transfer from Flextronics to Customer. In accordance with the terms of this Agreement, Flextronics shall be entitled to invoice Customer for (i) such sale (Products) (ii) in the event Product(s) are stored at Flextronics facilities storage and handling charges of [* * *] per cubic meter per month. Such storage and handling fee shall cover the expense of storage, security, and transporting the Products to and from such site. During the time that the Products are stored at Flextronics facilities pursuant to this section hereof, Customer shall have the right, upon prior reasonable written notice, to inspect the Products for the purposes of this Agreement. Customer may, at any given time (subject to satisfaction of Customer's payment obligations), transfer by itself the Product(s) to any other facility or upon Customer's request; Flextronics shall ship the Products to Customer under the terms of this Agreement at Customer's sole expense.

3.6 Obsolete Materials. Upon receiving AVL supplier's notification with respect to Materials which are no longer useable ("**Obsolete Materials**"), Flextronics shall promptly notify Customer in writing of such notification. In such event, Flextronics and Customer may mutually agree upon the replacement components to be used instead the Obsolete Materials and the Parties shall mutually agree upon the required changes, provided that Customer shall bear all additional costs and expenses related thereto.

3.7 Audit and Access.

(i) Flextronics shall provide Customer periodical reports in the format agreed by Parties, which shall be submitted upon Customer request. Customer may request other reports pertaining to the Work and Flextronics will provide such reports, to the extent commercially reasonable and at Customer's sole expense.

(ii) Customer shall have the right, at its expense, to conduct audits of the manufacturing services and related facilities, for the purpose of auditing Flextronics's

compliance with the manufacturing provisions of this Agreements as follows: The audits may include, only the equipment designated for the manufacturing process, the designated manufacturing facility at Flextronics's premises, finished goods warehouse, the inventory designated for the Work and Product(s) and any technical records (manufacturing specifications, production files and quality documentation). All audits shall be performed within Flextronics's facility. No documents or data of any kind, may be removed from Flextronics's facility. Customer will conduct the audits in a reasonable manner so as not to cause undue disruption to Flextronics's work. Audits shall be conducted during business hours, and shall be coordinated with Flextronics at least [* * *] in advance. In the course of such audits and at Customer sole expense Flextronics shall provide, and shall inform its subcontractors to provide, such auditors any reasonable assistance that they may require in accordance with the aforesaid.

(iii) If, as a result of an audit, it is thought that Flextronics has undercharged or overcharged Customer, Customer shall notify Flextronics in writing of the amount of such undercharge or overcharge, and shall specify the relevant data and the reasoning for its determination, The Parties will conduct in good faith discussion in order to reach an agreement regarding said undercharged or overcharged amounts.

3.8 End of Life. Flextronics shall promptly notify Customer of Materials' End of Life notice received from Vendors and, in such event, Flextronics will assist Customer to implement an "end of life time buy" with respect thereto in such quantity to cover the lead time required to source and qualify a new supplier of such components.

4. ENGINEERING CHANGES

Customer may request, in writing, that Flextronics incorporate engineering changes into the Product. Such request will include a description of the proposed engineering changes sufficient to permit Flextronics to accurately evaluate its feasibility and cost. Flextronics shall endeavor to respond to Customer's request in writing, within 3 working days of notification and shall state the costs and time of implementation and the impact on the delivery schedule, materials inventory, materials on order and pricing of the Product. Flextronics will not be obligated to proceed with the engineering changes until the Parties have agreed

upon the changes to the Product's Specifications, delivery schedule and Product pricing and the Customer has issued a Purchase Order for the implementation costs to be borne by the Customer and the Cost of Inventory and Special Inventory on-hand and on-order that becomes obsolete in connection therewith (it being clarified that if Products, Inventory and Special Inventory are cancelled as affected by the ECO then such Products, Inventory and Special Inventory will be invoiced and paid by Customer as per Section 3.2).

5. TOOLING, NON-RECURRING EXPENSES, SOFTWARE

Flextronics shall provide tooling that is not Product-specific at its expense. Customer shall pay for or obtain and consign to Flextronics any Product-specific tooling (including all necessary materials, tools, prototypes and other equipment) and all other reasonably necessary non-recurring expenses, to be set forth in Flextronics's quotation, such specific product or tooling shall remain Customer's sole and exclusive property ("**Customer Tooling**"). All Customer Tooling that Customer provides to Flextronics is and shall remain the sole property of

11

Customer. Customer grants Flextronics a non exclusive license to use Customer Tooling: (i) only for the purposes required to perform Flextronics's obligations under this Agreement; (ii) subject to the terms and conditions set forth in Section 1.2 above; (iii) provided Flextronics will not by itself or knowingly allow any third parties to (a) delete, modify, alter, reverse engineer, or change software incorporated in Customer Tooling, or make inoperable authorization keys or license control utilities, or decompile or perform reverse engineering of such software, or modify, adapt, translate or make derivative works based on such software; (b) sell, sublicense, rent, lease disclose, distribute, publish, copy, transfer or otherwise make such software available to any party other than Customer, or allow third parties other than Customer to use such software; and (iv) provided Flextronics will not transfer the license granted under this section to any third party, all except as otherwise required for the purposes of this Agreement but subject to Customer's, prior written approval. All software developed by Flextronics (excluding any software which is a work for hire Product pursuant to this Agreement) to support the process tooling or otherwise shall be and remain the sole and exclusive property of Flextronics.

6. EXPRESS LIMITED WARRANTY

Flextronics warrants that the Products will be manufactured in accordance with Specifications and in compliance with those laws and regulations of the State of Israel without reference to its choice of law rules, to the extent applicable to the manufacture of Products at Flextronics and will be free from defects in workmanship for a period of [* * *] from the date of production (the "**Warranty Period**"). In addition, Materials are warranted to the same extent that the original manufacturer warrants the Materials and Flextronics passes such warranties through to Customer. This express limited warranty does not apply to (a) Customer Tooling (b) Materials consigned or supplied by Customer to Flextronics; (c) defects resulting wholly or partially, from Customer's Specifications or the design of the Products; and (d) Product that has been abused, damaged, altered or misused by any person or entity after title passes to Customer. With respect to New Product Introduction ("**NPI**") services, first articles, prototypes, pre-production units, test units or other similar Products, Flextronics makes no representations or warranties whatsoever. Notwithstanding anything else in this Agreement or otherwise, Flextronics assumes no liability for or obligation related to the performance accuracy of the Specifications or defects of or due to tooling, designs or instructions produced or supplied by Customer and Customer shall be liable for all costs and/or expenses incurred by Flextronics related thereto.

Upon any failure of a Product to comply with the above warranty, Flextronics's sole obligation, and Customer's sole remedy, is for Flextronics, at its option, to promptly repair or replace such unit and return it to Customer freight from point of original delivery to be paid by Flextronics. Customer shall return Products covered by the warranty after completing a failure report and obtaining a return material authorization number from Flextronics to be displayed on the shipping container.

Notwithstanding the foregoing, where such Products consist of [* * *], Flextronics shall not repair the [* * *] returned but same shall be replaced with new [* * *] supplied by Customer, and Customer shall be credited at the end of each quarter for the price of each [* * *] returned during the quarter and found defective under Warranty up to a total number of [* * *] that is equal to [* * *] of the [* * *] delivered by Flextronics to Customer during the last [* *

12

*] quarters, less the amount of [* * *] replaced as aforesaid during such period. Where such Products consist of [* * *], Flextronics shall repair or replace such [* * *] as aforesaid, using its best reasonable commercial efforts to do so within 15 working days of receipt of the [* * *] by Flextronics. Flextronics shall prepare a failure report with respect to the failure of such Products for submission to Customer. Customer shall bear all risks, costs and expenses, associated with Products that have been returned to Flextronics not covered under the warranty above. Customer will provide its own warranties directly to any of its end users or other third parties. Customer will not pass through to end users or other third parties the warranties made by Flextronics under this Agreement. Furthermore, Customer will not make any representations to end users or other third parties on behalf of Flextronics, and Customer will expressly indicate that the end users and third parties must look solely to Customer in connection with any problems, warranty claim or other matters concerning the Product.

EXCEPT AS SPECIFICALLY SET FORTH HEREIN, FLEXTRONICS MAKES NO OTHER WARRANTIES OR CONDITIONS ON THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THIS AGREEMENT OR COMMUNICATION WITH CUSTOMER, AND FLEXTRONICS SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. QUALITY ASSURANCE ARRANGEMENTS

The parties shall follow the quality assurance arrangements set out in Schedule 7.

8. PAYMENT TERMS, ADDITIONAL COSTS AND PRICE CHANGES

8.1 Price and Payment Terms. The price for Products to be manufactured will be agreed by the Parties and will be indicated on the Purchase Orders issued by Customer and accepted by Flextronics. The initial price shall be as set forth on the Price List attached hereto and incorporated herein as Appendix C. The initial price for Products should be reviewed on a quarterly basis by the Parties. Any changes and timing of changes shall be agreed upon in writing by the Parties. All prices quoted are exclusive of VAT and customs taxes and same shall be borne by Customer. Any other tax, cost or levy will be borne by each Party according to applicable law. Payment for any Products, services or other costs to be paid by Customer hereinabove, shall be due [* * *] from the end of the month in which the invoice is received unless expressly provided otherwise in this Agreement and may be made by check or wire transfer. Customer

agrees to pay [* * *] monthly interest on all late payments (including all payments set forth in Section 3 that are late). In Q1 and Q2 of 2010, Customer shall pay 30 days from the end of the month in which the invoice is received.

8.2 Maintain Credit Line. Customer agrees to provide the following financial information required by Flextronics from time to time in order to make a proper assessment of the creditworthiness of Customer: financials statements, P&L, balance sheet and cash flow statements. Customer will act in good faith in order to provide Flextronics with any additional financial information that Flextronics may reasonably require regarding such creditworthiness review. The foregoing information provided to Flextronics shall be deemed to be the confidential and proprietary information of Customer and shall not be disclosed by Flextronics to

any third party or used by Flextronics for any purpose except for the purpose of assessing the creditworthiness of Customer as expressly stated above or for the purpose of recovering over due amounts from Customer hereunder. Flextronics will, in good faith, review Customer's creditworthiness periodically and may provide more favorable terms once it is of the opinion that it is prudent to do so.

8.3 Credit Review. Flextronic' obligations to perform under this Agreement is conditioned upon its assessment from to time of Customer's creditworthiness in accordance with Section 8.3 above and of the risks associated therewith. As of the Effective Date, based, *inter alia*, on financial information provided by Customer, Flextronics approved a credit limit for Inventory, Special Inventory and accounts receivable from Customer as notified to Customer separately. This credit limit shall remain valid until further written notice by Flextronics. In the event Flextronics wishes to decrease the credit limit, it will give Customer a prior written notice, as follows:

- (1) In case of a material adverse change in Flextronics condition, as determined by Flextronics in good faith at its sole discretion — 60 days;
- (2) In case of a material adverse change in Customer condition, as determined by Flextronics in good faith at its sole discretion — 7 days;
- (3) In case of a material adverse change in market conditions, as determined by Flextronics in good faith at its sole discretion — 30 days;

during which time the Parties will consult and endeavor in good faith to agree in writing, on the best way to mitigate the effect of the forthcoming change, by any one or more of the following means:

- (i) Customer will reduce the Forecast for Products;
- (ii) Customer will advance payments in order to reduce Flextronics' exposure, or
- (iii) Customer will obtain and maintain a stand-by letter of credit in favor of Flextronics, all in agreed form and substance.

It is clarified and agreed that as long as Customer has promptly provided Flextronics with the information required in accordance with Section 8.2 above and promptly advised Flextronics of any material adverse change in its financial condition, then Flextronics may cease to take additional risk and suspend its performance hereunder only following the lapse of the aforesaid prior notice period or until such agreement is reached and implemented, whichever is earlier; otherwise Flextronics may do so immediately upon giving said notice.

8.4 Standard Cost. For the purpose hereof, the term "Standard Cost" shall be defined as the cost for Materials as mutually agreed between the Parties. The Parties shall apply the following process for setting Standard Costs:

ECS-DI-S120T	DIODE UL	pur	10000	2500	45	ON SEMICONDUCTOR	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-DI-SMA6C	DIODE TV	pur	2500	2500	45	STMICROELECTRONICS	[* * *]	09/12/2009	Active	STMICROELECTRONICS	[* * *]
ECS-DR-03232	IC SMT TV	pur	1000	40	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-DR-05101	gate driver	pur	2500	2500	50	NATIONAL SEMICONDUCTOR	[* * *]	30/09/2009	Active	Customer cat no	[* * *]
ECS-DR-27201	IC DVR HI	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Dead		
ECS-DR-74AC5	IC TH OC	pur	1000	25	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-DR-SN65H	IC Trancek	pur	150	75	60	TEXAS INSTRUMENTS	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
ECS-DR-TE100	IC TRANS	pur	160	160	90	STMICROELECTRONICS	[* * *]	27/08/2009	Active	Customer cat no	[* * *]
ECS-FT-00123	TRS SMT	pur	9000	3000	30	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]
ECS-FT-00127	MOSFET	pur	9000	3000	60	INFINEON TECHNOLOGIES	[* * *]	27/10/2009	Dead	INFINEON TECHNOLOGIES	[* * *]
ECS-FT-03440	MOSFET	pur	3000	3000	80	VISHAY	[* * *]	30/09/2009	Active	VISHAY	[* * *]
ECS-FT-1032R	IC SMT M	pur	3000	3000	100	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-FT-2305D	MOSFET	pur	3000	3000	60	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-FT-	MOSFET	pur	3000	3000	60	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]

2312B												
ECS-FT-2803T	MOSFET	pur	6000	3000	60	INTERNATIONAL RECTIFIER	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-FT-3404L	MOSFET	pur	3000	3000	60	DIODES	[* * *]	27/10/2009	Active	Customer cat no	[* * *]	
ECS-FT-3460B	IC SMT M	pur	3000	3000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
<hr/>												
ECS-FT-3NF06	MOSFET	pur	4000	4000	90	STMICROELECTRONICS	[* * *]	02/08/2009	Active	STMICROELECTRONICS	[* * *]	
ECS-FT-5103T	MOSFET	pur	6000	3000	125	INTERNATIONAL RECTIFIER	[* * *]	30/09/2009	Active	Customer cat no	[* * *]	
ECS-FT-6402T	MOSFET	pur	3000	3000	125	ATMEL	[* * *]	02/08/2009	Active	INTERNATIONAL RECTIFIER	[* * *]	
ECS-FT-6402T	MOSFET	pur	3000	3000	125	INTERNATIONAL RECTIFIER	[* * *]	02/08/2009	Active	INTERNATIONAL RECTIFIER	[* * *]	
ECS-FT-6644T	MOSFET	pur	4800	4800	125	INTERNATIONAL RECTIFIER	[* * *]	29/09/2009	Active	Customer cat no	[* * *]	
ECS-FT-DC604	MOSFET	pur	3000	3000	50	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]	
ECS-FT-F2N02	MOSFET	pur	5000	3000	60	ON SEMICONDUCTOR	[* * *]	02/08/2009	Active	ON SEMICONDUCTOR	[* * *]	
ECS-FT-F7494	MOSFET	pur	1	1	60	INTERNATIONAL RECTIFIER	[* * *]	18/08/2009	Dead			
ECS-FT-S7002	MOSFET	pur	3000	3000	60	ON SEMICONDUCTOR	[* * *]	09/12/2009	Active	ON SEMICONDUCTOR	[* * *]	
ECS-FT-SI130	MOSFET	pur	3000	3000	80	VISHAY	[* * *]	18/08/2009	Active	VISHAY	[* * *]	
ECS-IF-02004	LCD	pur	1	1	60	BCLYMIN	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-IF-23S18	ICI/O Port	pur	27	27	60	MICROCHIP TECHNOLOGY	[* * *]	22/11/2009	Active	MICROCHIP TECHNOLOGY	[* * *]	
ECS-IF-3063M	IC SMT O	pur	1	1	60	LITE-ON TECHNOLOGY	[* * *]	12/11/2009	Dead			
ECS-IF-581L2	OPHTTOCC	pur	1100	100	90	NEC	[* * *]	02/08/2009	Active	NEC	[* * *]	
ECS-IF-7325A	IC SMT PC	pur	1	1	60	MAXIM INTEGRATED PRODUCTS	[* * *]	02/08/2009	Dead	MAXIM INTEGRATED PRODUCTS	[* * *]	
ECS-IF-H6186	IC OPTOC	pur	1000	1000	60	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-IN-00473	IND SMT	pur	1	1	50	JARO	[* * *]	18/08/2009	Dead			
<hr/>												
ECS-IN-01200	FERRITE	pur	40000	20000	70	STEWARD	[* * *]	18/10/2009	Active	Customer cat no	[* * *]	
ECS-IN-04100	IND SMT	pur	20000	2000	70	COILCRAFT	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-05582	IND CHP	pur	20000	2000	60	COILCRAFT	[* * *]	30/09/2009	Dead	COILCRAFT	[* * *]	
ECS-IN-05333	IND SMT	pur	5000	500	75	WUERTH ELECTRONIC	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-13884	IND SMT	pur	1	1	50	COILCRAFT	[* * *]	18/08/2009	Dead			
ECS-IN-1551	IND	pur	250	250	75	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-1722	IND SMT	pur	20000	1200	75	COILCRAFT	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-18014	IND SMT	pur	00005	315	75	COILCRAFT	[* * *]	23/10/2009	Active	Customer cat no	[* * *]	
ECS-IN-250	IND SMT	pur	1	1	50	COILTRONICS	[* * *]	18/08/2009	Dead			
ECS-IN-25402	IND SMT	pur	20000	125	75	COILCRAFT	[* * *]	02/ 2/2009	Dead	Customer cat no	[* * *]	
ECS-IN-28014	COIL SMD	pur	20000	1200	75	COILCRAFT	[* * *]	01/0 /2009	Active	Customer cat no	[* * *]	
ECS-IN-30472	IND POW	pur	3250	25	70	COILCRAFT	[* * *]	27/10/2009	Active	Customer cat no	[* * *]	
ECS-IN-3340	EM	pur	5000	1000	70	STEWARD	[* * *]	22/11/2009	Active	STEWARD	[* * *]	
ECS-IN-34108	IND Cou	pur	20000	500	75	COILCRAFT	[* * *]	30/09/2009	Active	COILCRAFT	[* * *]	
ECS-IN-34 02	SM	pur	750	750	70	STEWARD	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-73104	IND SH PW	pur	1	1	75	COILTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-IN-4472	COILS SM	pur	2000	2000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	

ECS-LD-2	LED SMT	pur	5000	5000	50	OSRAM	[* * *]	02/08/2009	Active	OSRAM	[* * *]
ECS-LD-70125	LED SMT	pur	2000	2000	5	KINGERIGHT	[* * *]	02/06/2009	Dead	KINGBRIGHT	[* * *]
ECS-LD-GR971	LED SMT	pur	4000	4000	60	OSRAM	[* * *]	02/08/2009	Dead	OSRAM	[* * *]
ECS-LD-J 242	LED SMT	pur	5000	5000	60	OSRAM	[* * *]	02/08/2009	Active	OSRAM	[* * *]
ECS-LD-	LED SMT	pur	5000	5000	60	OSRAM	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-LD-	LED SMT	pur	4000	4000	60	OSRAM	[* * *]	02/08/2009	Dead	OSRAM	[* * *]
ECS-LG-14M5X	IC INVER	pur	1	1	80	FAIRCHILD	[* * *]	18/08/2009	Dead		
ECS-LG-	IC SMT F	pur	250	250	30	FAIRCHILD	[* * *]	02/08/2009	Active	FAIRCHILD	[* * *]
ECS-LG-CJ	IC SMT G	pur	959	1	80	NXP SEMICONDUCTORS	[* * *]	02/08/2009	Active	NXP SEMICONDUCTORS	[* * *]
ECS-LG-75208	75208 SM	pur	1	1	80	FAIRCHILD	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-LG-	IC SMT O	pur	2500	2500	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]
ECS-LG-9	IC SNGL	pur	1	1	50	TEXAS INSTRUMENTS	[* * *]	15/08/2009	Dead		
ECS-MG-10200	F 1K	pur	4000	4000	75	TDM	[* * *]	30/09/2009	Active	TDK	[* * *]
ECS-MG-10201	F 1K	pur	4000	4000	75	TDM	[* * *]	30/09/2009	Active	Customer cat no	[* * *]
ECS-PR-	MODULE	pur	1	1	50	DIGI INTERNATIONAL USA	[* * *]	29/11/2009	Active	DIGI INTERNATIONAL USA	[* * *]
ECS-PR-25	IC 5RL FL	pur	250	2500	60	NUMONYX	[* * *]	30/11/2009	Active	Customer cat no	[* * *]
ECS-PR-280	IC SMT D	pur	90	90	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]

ECS-PR-	IC SMT D	pur	570	95	60	ATMEL	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-PR-F	IC SMT M	pur	1	1	90	STMICROELECTRONICS	[* * *]	01/12/2009	Active	STMICROELECTRONICS	[* * *]
ECS-PR-FAZ47	IC MCU	pur	1	1	80	STMICROELECTRONICS	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-PR-M25P	IC SRL FL	pur	1	1	60	NUMONYX	[* * *]	18/08/2009	Dead		
ECS-R1-00010	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	18/08/2009	Active	YAGEO	[* * *]
ECS-R1-00212	RES SMT	pur	10000	10000	70	KCA SPEER ELECTRONICS	[* * *]	18/12/2009	Active	YAGEO	[* * *]
ECS-R1-00212	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	18/12/2009	Active	YAGEO	[* * *]
ECS-R1-00212	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	18/12/2009	Active	YAGEO	[* * *]
ECS-R1-00212	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	18/08/2009	Active	YAGEO	[* * *]
ECS-R1-00212	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	18/12/2009	Active	YAGEO	[* * *]
ECS-R1-01692	RES SMT	pur	10000	10000	80	KOA SPEER ELECTRONICS	[* * *]	16/12/2009	Dead	YAGEO	[* * *]
ECS-R1-071892	RES SMT	pur	10000	10000	80	VISHAY	[* * *]	16/12/2009	Dead	YAGEO	[* * *]
ECS-R1-01692	RES SMT	pur	10000	10000	60	YAGEO	[* * *]	18/08/2009	Dead	YAGEO	[* * *]
ECS-R1-06951	RES SMT	pur	10000	10000	50	YAGEO	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-R2-00113	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-R2-00113	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	25/10/2009	Active	YAGEO	[* * *]
ECS-R2-00762	RES 7 SK	pur	5000	5000	70	KCA SPEER ELECTRONICS	[* * *]	02/12/2009	Active	Customer cat no	[* * *]

ECS-R2-00752	RES 7 SK	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R1-01001	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	18/01/2010	Active	Customer cat no	[* * *]

ECS-R2-01001	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2-01200	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2-01300	RES SMD	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R1-01303	RES	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2=01502	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	02/12/200	Active	Customer cat no	[* * *]
ECS-R2-01502	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2-01802	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	VAGEO	[* * *]
ECS-R2-02433	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2-02703	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	VAGEO	[* * *]
ECS-R2- 002	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	VAGEO	[* * *]
ECS-R2-04702	RES SMT	pur	1	1	50	YAGEO	[* * *]	02/08/2009	Dead		
ECS-R2-04703	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-R2-05503	RES 680K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]
ECS-R2-05050	RES SMT	pur	2000	2000	70	TT ELECTONICS PLC	[* * *]	30/09/2009	Active	Customer cat no	[* * *]
ECS-R2-0R050	RES SMT	pur	2000	2000	70	VISHAY	[* * *]	16/12/2009	Active	Customer cat no	[* * *]

ECS-R2-21242	RES	pur	1	1	50	YAGEO	[* * *]	10/01/2010	Dead	Customer cat no	[* * *]
ECS-R2-22327	RES 237	pur	1	1	50	YAGEO	[* * *]	10/01/2010	Dead	Customer cat no	[* * *]
ECS-R2-5R760	RES SMT	pur	1	1	50	YAGEO	[* * *]	18/08/2009	Dead		
ECS-R2-R0330	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-R3-06853	RES dd5K	pur	5000	5000	80	YAGEO	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-R4-02000	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	30/09/2009	Active	YAGEO	[* * *]
ECS-R4-02 23	RES 322M	pur	5000	5000	70	VISHAY	[* * *]	16/12/2009	Active	VAGEO	[* * *]
ECS-R4-03323	RES 332K	pur	5000	5000	70	YAGEO	[* * *]	27/11/2009	Active	VAGEO	[* * *]
ECS-R9-04992	RES	pur	2000	2000	70	KDA SPEER ELECTRONICS	[* * *]	18/12/2009	Active	Customer cat no	[* * *]
ECS-R9-04992	RES	pur	2000	2000	70	VISHAY	[* * *]	27/10/2009	Active	Customer cat no	[* * *]
ECS-R9-07601	RES 7 50W	pur	4000	4000	70	RCA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	VAGEO	[* * *]
ECS-R9-07601	RES 7 50W	pur	4000	4000	70	YAGEO	[* * *]	/10/2009	Active	VAGEO	[* * *]
ECS-RE-00000	RES SMD	pur	5000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00000	RES SMD	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00011	RES SMT	pur	10000	000	70	VISHAY	[* * *]	02/08/2009	Active	VAGEO	[* * *]
ECS-RE-00011	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VAGEO	[* * *]
ECS-RE-00012	RES	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VAGEO	[* * *]

ECS-RE-00012	RES 080	pur	10000	5000	70	YAGEO	[* * *]	29/11/2009	Active	VAGEO	[* * *]
ECS-RE-00013	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	18/10/2009	Active	VAGEO	[* * *]
ECS-RE-00014	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VAGEO	[* * *]
ECS-RE-00014	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VAGEO	[* * *]

ECS-RE-00015	RES SMT	pur	10000	5000	70	VISHA	[* * *]	02/08/2009	Active	VAGEO	[* * *]
	RES SMT	pur	10000	5000	70	VAGEO	[* * *]	01/12/2009	Active	VAGEO	[* * *]
ECS-RE-00016	RES 1.0M	pur	5000	5000	70	VISHAY	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
ECS-RE-00016	RES 1.0M	pur	5000	5000	70	YAGEO	[* * *]	25/11/2009	Active	Customer cat no	[* * *]
ECS-RE-00022	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	15/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00023	RES SMT	pur	10000	5000	70	KOA SPEER ELECCTRONICS	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-00023	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-00023	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-00024	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00024	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-00032	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00032	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00033	RES 3K0	pur	5000	5000	70	VISHAY	[* * *]	22/11/2009	Active	Customer cat no	[* * *]

ECS-RE-00033	RES 3K0	pur	5000	5000	70	YAGEO	[* * *]	25/11/2009	Active	Customer cat no	[* * *]
ECS-RE-00034	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00034	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00104	RES 100K	pur	5000	5000	60	VISHAY	[* * *]	30/09/2009	Dead	VISHAY	[* * *]
ECS-RE-00113	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00120	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	YAGEO	[* * *]
ECS-RE-00120	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-00121	RES SMT	pur	1	1	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00121	RES SMT	pur	1	1	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00121	RES SMT	pur	1	1	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00122	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	26/10/2009	Active	Customer cat no	[* * *]
ECS-RE-00130	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	13/10/2009	Active	YAGEO	[* * *]
ECS-RE-00131	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00131	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-00134	RES SM O	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	02/12/2009	Dead		
ECS-RE-00134	RES SM O	pur	1	1	50	VISHAY	[* * *]	02/12/2009	Dead		
ECS-RE-00145	RES 1.40M	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]

ECS-RE-00145	RES 1.40M	pur	5000	5000	70	VISHAY	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
ECS-RE-00145	RES 1.40M	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00151	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00151	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00152	RES SMT	pur	5000	5000	60	VISHAY	[* * *]	02/12/2009	Dead	YAGEO	[* * *]
ECS-RE-00152	RES SMT	pur	5000	5000	60	YAGEO	[* * *]	18/10/2009	Dead	YAGEO	[* * *]

ECS-RE-00153	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-00153	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-00183	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00183	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00212	RES 2.10K	pur	5000	5000	70	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00212	RES 2.10K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00213	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00213	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00220	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00220	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00220	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	17/12/2009	Active	Customer cat no	[* * *]

8.4.1 Standard Costs shall be set for all Materials, on a Quarterly basis. Standard Costs shall be fixed for each Quarter and shall be adjusted in each subsequent Quarter.

8.4.2 Flextronics shall submit updated Standard Costs to Customer in the first week of the last month of each Quarter. The new proposed Standard Cost shall reflect the Materials price changes. Standard Costs shall be mutually agreed between the Parties during the second week of the last month in the Quarter. Product pricing for the next Quarter shall be based on the new Standard Costs and shall become effective on the first day of the Quarter. Products prices will be set based on the new mutually agreed Standard Cost for all quantities of exiting customer Purchase Orders.

8.4.3 In case Customer requests to increase Product quantities beyond the quantities indicated in Section 3.2 above and as a result of such increase the accumulated actual Purchase Price required to fulfill the additional quantities, of any component, exceeds that component's Standard Cost multiplied by quantity ordered 14 more than 300 USD during the Quarter, Flextronics shall contact Customer for written approval prior to the purchase of any more of such component. Customer shall respond to such purchase price variance ("PPV") requests within five (5) business days. Customer shall be deemed to have given its approval unless it delivers Flextronics a clear written advice to the contrary within said period. Flextronics is hereby granted a waiver from requesting written approval if the quarterly accumulated variant per component is between 0 USD and up to 300 USD quarterly accumulated on all components.

8.5 Purchase Price Variance Reconciliation and Inventory Revaluation. PPV reconciliation will be applicable in cases when Purchase Orders are placed after the date at which the Standard Cost was in effect and the actual purchase price of any component exceeds its Standard Cost. For those cases Flextronics undertake to request prior approval from Customer before placing purchase orders with suppliers in excess of 300 USD per order line during the Quarter all other parts are approved automatically. There are two types of request Flextronics can ask for regarding price changes: (i) temporary price changes and (ii) fixed price changes.

Temporary price changes may be requested for reasons such as rescheduling delivery dates, temporary allocation or other reasons. In such cases where Customer approved the change, the Standard Cost will remain the same for the next quarter and Flextronics will debit Customer's account for the difference in price immediately.

Fixed price changes may be requested for reasons such as allocation market price change or other reasons. In such cases where Customer approved the change, the Standard price will be changed in the next quarter and Flextronics will debit Customer's account for the difference in price at the end of the quarter. The amount will be calculated as follows: (Qty. of parts receipted in Flextronics inventory in last quarter that were purchased in increased price * price difference).

8.6 Reevaluation of Inventory. After Customer has approved in writing the New Price List Report, Flextronics shall perform a reevaluation to the current inventories, in order to enable the immediate use of the new prices listed in the New Price List Report. Flextronics shall provide Customer with a pricing Variances per Item Report which will include the reevaluation

results (the "**Pricing Variances per Item Report**"). The reevaluation shall be performed in accordance with the following formula. The reevaluation shall be performed in accordance with the following formula, and Flextronics shall issue a respective invoice to be paid by Customer within ten (10) days from the date of invoice, or a credit note, as applicable:

- A=old price (per Item)
- B=the new price (per Item)
- C=quantity within the inventory
- D=amount for debit/credit pursuant to the reevaluation per Item.
- D=C*(A-13)

8.7 WIP & Finished Goods. At the end of each Quarter after the new Standard Cost of each part was steeled a new price for the product will be calculated by Flextronics and presented to Customer. Those prices will take effect on the first day of the following Quarter.

8.8 Additional Costs. Customer is responsible for (a) any and all expediting charges reasonably necessary because of a change in Customer's requirements which charges are pre approved, (b) any overtime charges based on manpower tariffs approved in advance by Customer, incurred as a result of delays

in the normal production or interruption in the workflow process caused by Customer's change in the Specifications.

9. TERM AND TERMINATION

9.1 Term. The term of this Agreement shall commence on the date hereof and shall continue for two years thereafter (hereinafter the "**Initial Term**") unless terminated as provided in Section 9.2. After the expiration of the Initial Term (unless this Agreement has been terminated earlier), this Agreement shall be automatically renewed for separate but successive one year terms.

9.2 Termination. This Agreement may be terminated by (a) Flextronics for any reason subject to [* * *] days prior written notice to the Customer, provided that Flextronics may not exercise such right within the first 9 months of the term of this Agreement; (b) Customer for any reason subject to 90 days prior written notice to Flextronics; (c) by either Party if the other party defaults in the performance of any material terms or conditions of this Agreement (including any delivery or payment obligation) and such default continues unremedied for a period of 30 days after the delivery of written notice thereof by the terminating Party to the other Party, provided that if the defaulting party is able and is using good faith efforts to cure such default and requires more time to complete such cure, the time to remedy the default shall be extended by an additional 15 days; (d) as specifically provided in this Agreement, or (e) by either Party upon the other Party seeking an order for relief under the bankruptcy laws of the State of Israel or similar laws of any other jurisdiction, a composition with or assignment for the benefit of creditors, or dissolution or liquidation proceedings are initiated by or against the other party and not withdrawn within 60 days or an attachment or similar encumbrance is levied over a substantial part of the other party's assets and is not removed within 60 days.

16

Expiration or termination of this Agreement under any of the foregoing provisions shall not affect: (i) the amounts due under this Agreement by either Party that exist on the date of expiration or termination, and as of such date onwards the provisions of Sections 3.2, 3.4 and 3.5 shall apply with respect to payment and shipment to Customer of finished Products, Inventory, and Special Inventory in existence as of such date. For the sake of clarity: upon termination, Flextronics will cease all Work and Customer shall thereupon pay to Flextronics all amounts stated in Section 8 hereof for all completed Products, and as provided in Section 3.4 for any and all semi-finished products, Inventory, Special Inventory and Dead Inventory; (ii) any obligation due by Flextronics for the delivery and warranty of any Product(s) ordered prior to termination of this Agreement even if delivery date and/or warranty period related to said Product(s) is due after the expiration or termination date; and (iii) Customer's rights, including without limitation Customer's rights in Customer's IP and Products, and any other rights granted to Customer under this Agreement. In the event of any expiration or termination of this Agreement, all rights granted to Flextronics under this Agreement in respect of Customer's IP, shall immediately terminate, and upon payment by Customer of any outstanding amounts due hereunder, Flextronics shall return to Customer all of Customer's confidential and proprietary information in its possession and under its control, Flextronics shall coordinate with Customer the return of all Customer Tooling, and Customer shall bear all related expenses thereto. Notwithstanding termination or expiration of this Agreement, Sections, 3, 6, 8, 9.2, 10, and 11 shall survive said termination or expiration.

10. LIABILITY, LIMITATION

10.1 Patents, Copyrights, Trade Secrets, Other Proprietary Rights. Customer shall defend, indemnify and hold harmless Flextronics from all claims, liabilities, costs, damages, judgments and attorney's fees resulting from or arising out of any alleged and/or actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights related to the Product or third party claims relating to Customer's instructions, tooling, specifications and designs ("**Claims**") provided that: (i) Flextronics will provide the Customer with prompt written notice of any Claim no later than three business days following receipt of notice by Flextronics; (ii) Flextronics will grant Customer sole control of the defense and settlement of Claims, taking into account any reasonable request of Flextronics; provided that in case such settlement materially affects Flextronics's business, such settlement shall be subject to Flextronics's prior written approval; (iii) Flextronics will provide Customer with reasonable assistance, at Customer's sole expense; and (iv) Customer assumes no liability for any Claims to the extent that such Claims result from the use by Flextronics of specifications other than the Specifications or from a material breach by Flextronics of the license set out in Section 1.2 above which breach was notified to Flextronics in writing and it has failed to cure same within 15 days of such notification. If such Claim is brought, or Customer in good faith determines a Claim is likely to be made, Customer shall notify Flextronics and either: (a) procure for Flextronics the right to continue to perform this Agreement; (b) modify the Specification so that there will no longer be an infringement or misappropriation or (c) terminate this Agreement and pay Flextronics the consideration due under this Agreement for the Work performed until the date of termination, including all payments set forth in Section 3.

10.2. Flextronics shall defend, indemnify and hold harmless Customer from all claims, liabilities, costs, damages, judgments and attorney's fees resulting from or arising out of any alleged and/or

17

actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights as a result of workmanship and manufacturing methods employed by Flextronics, but excluding Claims as defined above ("**Manufacturing Claims**"); provided that: (i) Customer will provide Flextronics with prompt written notice of any Manufacturing Claim no later than three business days following receipt of notice thereof by Customer; (ii) Customer will grant Flextronics sole control of the defense and settlement of Manufacturing Claims, taking into account any reasonable request of Customer; provided that in case such settlement materially affects Customer's intellectual property rights, such settlement shall be subject to Customer's prior written approval; and (iii) Customer will provide Flextronics with reasonable assistance, at Flextronics's sole expense. If a Manufacturing Claim is brought, or Flextronics in good faith determines a Manufacturing Claim is likely to be made, Flextronics shall notify Customer and either: (a) procure for Customer the right to continue to perform this Agreement; or (b) modify its manufacturing methods so that there will no longer be an infringement or misappropriation or (c) terminate this Agreement; provided however, that where Flextronics exercises its right to terminate pursuant to subsection (c) above, Flextronics shall, in good faith, provide a minimal period of time, not to exceed 180 days, during which Customer could reasonably be expected to establish alternate manufacturing arrangements (the "**Transition Period**"), and shall notify Customer in writing accordingly.. For the avoidance of doubt, during the Transition Period, the parties shall continue to perform their respective obligations pursuant to this Agreement. Notwithstanding the foregoing, Customer shall have the right, no later than 7 days from said notice date, to request the managing partners of the auditors of Flextronics and Customer to jointly nominate an expert they deem qualified for the following purposes as soon as possible (the "**Expert**"). The Expert shall have the power and authority, following discussions with both parties, to extend (up to 180 days as aforesaid) or shorten the Transition Period if he considers the period provided by Flextronics to be unreasonable. The Expert shall also have the power and authority to determine which of the parties or both shall bear the cost of the process. The Expert shall be required to determine the length of the Transition Period within 10 days from the date he accepts the nomination. The Expert shall deliver a written resolution setting forth his reasoning. Such resolution shall be final, conclusive and non-appealable.

10.3 No Other Liability. EXCEPT WITH RESPECT TO A BREACH OF SECTION 1.2 [LICENSE] OR SECTION 11.1 [CONFIDENTIALITY], IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF THIS AGREEMENT OR THE SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

11. MISCELLANEOUS

11.1 Confidentiality. All information and data exchanged between the Parties, written, verbally or in other media (provided verbal information shall be reduced within 60 days as of its delivery to writing), prior, during or after this Agreement, *inter alia* for the purpose of enabling Flextronics to manufacture and deliver Products under this Agreement (the “**Purpose**”), including intellectual property, patents, trademarks, trade secrets, algorithms, customers lists, and any other material related to the manufacturing of the Products, which may have been exposed to the receiving party, in any form and shape, shall be deemed to be “**Confidential Information**”. The Parties will treat any such information according to the non-disclosure agreement (hereinafter “**NDA**”) executed between the Parties and attached as Appendix D hereto. Without derogating from the provisions of the NDA, a party that receives Confidential Information will not disclose it directly or indirectly to any third party without the prior written consent of the disclosing party except to carry out the Purpose and provided that any such third party is bound by non-disclosure terms no less restrictive than those set out in the NDA and this section. Confidential Information disclosed pursuant to this Agreement shall be maintained confidential during the term of this Agreement and for a period of five (5) years after any expiration or termination of this Agreement. Either party shall hold the existence and terms of this Agreement confidential, unless it obtains the other party’s express written consent otherwise, *provided, however*, that the Parties consent to disclose this Agreement shall not be unreasonably withheld in the event a Party requests disclosure (a) to its employees, consultants and affiliates as necessary for the performance of its obligations pursuant to this Agreement; and/or (b) to actual and potential business partners, actual and potential investors in each Party’s company, and bankers and other financial institutions who have a need to know such information in order to enable a party to obtain financing; and/or (c) governmental authorities, as may be required by applicable law. All documents and other tangible objects containing or representing Confidential Information and all copies thereof will be and remain the exclusive property of the disclosing party. Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, or other intellectual property right of the other party, nor will this Agreement grant any party any rights in or to the Confidential Information of the other party, except as expressly set forth in this Agreement.

11.2 Entire Agreement. This Agreement, and all annexes hereto, constitutes the entire agreement between the Parties with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the Parties relating to such transactions. In all respects, this Agreement shall govern and supersede any other documents related to the Work contemplated herein including, without limitation, preprinted terms and conditions on Customer’s purchase orders and these shall be of no force and effect.

11.3 Amendments, Schedules and Appendices. This Agreement may be amended only by written consent of both parties. Each Schedule and Appendix hereto is incorporated herein by this reference. The parties may amend any Schedule and Appendix from time to time by entering into a separate written agreement, referencing such Schedule and Appendix and specifying the amendment thereto, signed by an authorized representative of each of the parties.

11.4 Headings. Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.

11.5 Independent Contractor. Neither party shall, for any purpose, be deemed to be an agent of the other party and the relationship between the parties shall only be that of independent contractors. Neither party shall have any right or authority to assume or create any obligations or to make any representations or warranties on behalf of any other party, whether express or implied, or to bind the other party in any respect whatsoever.

11.6 Insurance. During the term of this Agreement, each of Flextronics and Customer agrees to maintain appropriate insurance to cover its risks under this Agreement with coverage amounts commensurate with levels in their respective markets. Customer shall maintain insurance for finished Products or Materials for which the risk of loss passes to Customer pursuant to this Agreement.

11.7 Force Majeure. In the event that either party is prevented from performing or is unable to perform any of its obligations under this Agreement (other than a payment obligation) due to any Act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, destruction of production facilities, riot, insurrection, Materials unavailability, or any other cause unknown to the Parties at the execution of this Agreement which is beyond the reasonable control of the party invoking this section, and if such party shall have used its commercially reasonable efforts to mitigate its effects, *inter alia* as part of DRP (Disaster Recovery Plan) program, such Party shall give prompt written notice to the other Party regarding the circumstances surrounding such preventing event, its performance shall be excused, and the time for the performance shall be extended for the period of delay or inability to perform due to such occurrences. Regardless of the excuse of Force Majeure, if such Party is not able to perform within 90 days after such event, the other Party may terminate the Agreement. Notwithstanding anything to the contrary herein or otherwise, neither party may rely on the aforesaid provisions or on any force majeure circumstance applicable by law as an excuse for non-payment.

11.8 Successors, Assignment. This Agreements shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns and legal representatives. Neither Party shall have the right to assign or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other party, not to be unreasonably withheld. Notwithstanding the aforesaid, (i) Flextronics shall be entitled to assign its-rights to be paid hereunder to banks or first tier financial institutions, and (ii) to the extent Customer shall first pay in full all debts and liabilities in accordance with this Agreement, Flextronics will give its consent for Customer to transfer and/or assign this Agreement to any company controlling Customer (directly or indirectly), controlled by Customer or to the surviving entity in the event of any merger or acquisition. It being clarified and agreed that Flextronics may consider in good faith any such assignment as a material adverse change in Customer’s condition in accordance with section 8.3 and require a security without prior notice. Following any such assignment by Customer, Flextronics shall be entitled to terminate this Agreement by an advanced written notice of 180 days.

11.9 Notices. All notices required or permitted under this Agreement will be in writing and will be deemed received (a) when delivered personally; (b) when sent by facsimile, evidenced by a written confirmation; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two (2) days after deposit with a commercial overnight carrier. All communications will be sent to the addresses set forth above

20

or to such other address as may be designated by a party by giving written notice to the other Party pursuant to this section.

11.10 Set-off. Amounts due in connection with this Agreement may not be set off except with mutual prior written consent. Flextronics may, at anytime in its sole discretion, apply any amount that may be due and/or received from Customer in credit of any Customer's liability, whether or not conditional, contingent and/or quantified.

11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

11.12 Customer Guaranty. Customer hereby unconditionally guarantees to Flextronics the full and prompt compliance by all Customer Affiliates (as hereinafter defined) with the terms and conditions of this Agreement, whether now existing or later arising (the "**Guaranteed Obligations**"). This guarantee is absolute, continuing, unlimited and independent and will not be affected, diminished or released for any reason. Customer waives (i) diligence, presentment, demand for payment, protest or notice of any default or nonperformance by any Customer Affiliate, (ii) notice of waivers or indulgences given to any Customer Affiliate and (iii) all defenses, offsets and counterclaims against Flextronics, any right to the benefit of any security or statute of limitations, and any requirement that Flextronics proceed first against a Customer Affiliate or any collateral security and all other suretyship defenses. Until the Guaranteed Obligations have been paid and performed in full, Customer will not enforce any right of subrogation. Customer shall indemnify, defend and hold Flextronics and its affiliates harmless from any and all claims by any Customer Affiliates to the extent that such claims are inconsistent with the terms and conditions of this Agreement. For purposes of this Section 11.12, "**Customer Affiliates**" means affiliates of Customer who purchase Products from Flextronics or any of its affiliates.

11.13 Disputes Resolution.

(i) Any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof shall be exclusively settled in arbitration in accordance with substantial Israeli law. The arbitrator shall be Adv. Ram Caspi or Adv. Robi Bachar if Ram Caspi is unavailable or unwilling to serve in such capacity or, if Robi Bachar is also unavailable or unwilling to serve in such capacity, as shall be determined by the President of the Israeli Bar at the request of any party hereof.

(ii) Without derogating from rights of termination as detailed in this Agreement, it is clarified that Flextronics will continue to provide the Work and Customer shall continue to perform its obligations hereunder during any arbitration or legal proceedings commenced pursuant to this Section 11.12(i) above and the existence of a dispute shall not enable Flextronics to stop the Work or services or otherwise not timely perform its obligations or enable Customer to stop payments or otherwise not timely perform its obligations, except that Flextronics shall be entitled to demand appropriate securities, such as bank guarantees and pre-payments as a condition to the continued performance thereby of any further Work.

21

(iii) The foregoing shall not affect the right of the parties to seek injunctions, winding up or bankruptcy process before the competent Court.

11.14 Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the state of Israel, without giving effect to choice of law rules. Subject to Section 11.123(i) the competent courts in Tel-Aviv shall have exclusive jurisdiction on any dispute arising hereunder. Section 11.123(i) shall not apply to disputes as to a breach of confidentiality obligations under this Agreement;

11.15 Even-Handed Construction. The terms and conditions as set forth in this Agreement have been arrived at after mutual negotiation, and it is the intention of the parties that its terms and conditions not be construed against any party merely because it was prepared by one of the parties.

11.16 Controlling Language. This Agreement is in English only, which language shall be controlling in all respects. All documents exchanged under this Agreement shall be in English.

11.17 List of Appendices and Schedules. The following Appendices and Schedules, attached hereto, form an integral part of this Agreement:

- (i) Appendix A: Logistics Data
- (ii) Appendix B: Products and Specifications
- (iii) Appendix C: Price List
- (iv) Appendix D: NDA
- (v) Schedule 1.4: Restrictive Work
- (vi) Schedule 3.2: Safety Stock
- (vii) Schedule 7: QA Arrangements

[Remainder of page intentionally left blank]

22

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date written above:

SolarEdge Technologies Ltd.

Flextronics (Israel)

By: _____

By: _____

Title: _____

Title: _____

ECS-RE-00222	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00222	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00244	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	YAGEO	[* * *]
ECS-RE-00270	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-00270	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-00274	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	02/12/2009	Dead		
ECS-RE-00274	RES SMT	pur	1	1	50	VISHAY	[* * *]	02/12/2009	Dead		
ECS-RE-00330	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00330	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	17/01/2010	Active	Customer cat no	[* * *]
ECS-RE-00332	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-00332	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	25/11/2009	Dead	Customer cat no	[* * *]
ECS-RE-00344	RES 340K	pur	5000	5000	70	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00344	RES 340K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-00392	RESISTOF	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	27/01/2010	Active	Customer cat no	[* * *]
ECS-RE-00392	RESISTOF	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00392	RESISTOF	pur	10000	5000	70	YAGEO	[* * *]	29/11/2009	Active	Customer cat no	[* * *]
ECS-RE-00432	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]

ECS-RE-00471	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00473	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00473	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00474	RES SMT	pur	1	1	50	VISHAY	[* * *]	25/11/2009	Dead		
ECS-RE-00474	RES SMT	pur	1	1	50	YAGEO	[* * *]	25/11/2009	Dead		
ECS-RE-00510	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	YAGEO	[* * *]
ECS-RE-00510	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-00512	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active		
ECS-RE-00512	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00514	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00514	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-00592	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-00593	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		

ECS-RE-00593	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-00622	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-00681	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-00681	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]

ECS-RE-00822	RESISTOF	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-00822	RESISTOF	pur	10000	5000	70	YAGEO	[* * *]	27/01/2010	Active	Customer cat no	[* * *]
ECS-RE-01332	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	YAGEO	[* * *]
ECS-RE-01332	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-01372	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-01372	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-01603	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-01603	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-01622	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-01622	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-02210	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-02210	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-02321	RES SMT	pur	1000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead	VISHAY	[* * *]
ECS-RE-02321	RES SMT	pur	1000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	VISHAY	[* * *]
ECS-RE-02400	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-02400	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	29/11/2009	Active	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-02433	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		

ECS-RE-02433	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-02493	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-02493	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-02554	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/06/2009	Dead	Customer cat no	[* * *]
ECS-RE-02811	RES SMT	pur	5000	5000	60	KOA SPEER ELECTRONICS	[* * *]	18/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-02613	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-02613	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-02671	RES 2.57K	pur	10000	5000	70	VISHAY	[* * *]	30/09/2009	Active	Customer cat no	[* * *]
ECS-RE-02671	RES 2.57K	pur	10000	5000	70	YAGEO	[* * *]	26/11/2009	Active	Customer cat no	[* * *]
ECS-RE-02941	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-02941	RES SMT	pur	1	1	50	YAGEO	[* * *]	02/12/2009	Dead		
EC3-RE-03011	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-03011	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-03012	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-03012	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	16/12/2009	Dead	Customer cat no	[* * *]

ECS-RE-03091	RES SMT	pur	1	1	50	VISHAY	[* * *]	19/08/2009	Dead		
ECS-RE-03091	RES SMT	pur	1	1	50	YAGEO	[* * *]	02/12/2009	Dead		
<hr/>											
ECS-RE-03240	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-03240	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/05/2009	Active	Customer cat no	[* * *]
ECS-RE-03240	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	27/01/2010	Active	Customer cat no	[* * *]
ECS-RE-03321	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/12/2009	Active	YAGEO	[* * *]
ECS-RE-03321	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/12/2009	Active	YAGEO	[* * *]
ECS-RE-03663	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-03653	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-03653	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-03833	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-03833	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-04021	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-04021	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	16/12/2009	Dead	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-04022	RES 40.7K	pur	5000	5000	70	YAGEO	[* * *]	27/10/2009	Active	YAGEO	[* * *]
ECS-RE-04990	RES SMT	pur	10000	10000	60	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead	VISHAY	[* * *]
ECS-RE-04990	RES SMT	pur	10000	10000	50	VISHAY	[* * *]	16/08/2009	Dead	VISHAY	[* * *]
ECS-RE-04990	RES SMT	pur	10000	10000	60	YAGEO	[* * *]	01/12/2009	Dead	VISHAY	[* * *]
ECS-RE-04092	RES 49.9M	pur	10000	5000	70	VISHAY	[* * *]	01/08/2009	Active	VISHAY	[* * *]
<hr/>											
ECS-RE-04R70	RES 4.7.O	pur	10000	5000	60	VISHAY	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-RE-04R70	RES 4.7.O	pur	10000	5000	60	YAGEO	[* * *]	01/12/2009	Dead	Customer cat no	[* * *]
ECS-RE-05560	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-05360	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	01/09/2008	Active	Customer cat no	[* * *]
ECS-RE-05360	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-06622	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	26/01/2010	Active	YAGEO	[* * *]
ECS-RE-05622	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/06/2009	Active	YAGEO	[* * *]
ECS-RE-05622	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-06041	RES SMD	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-06041	RES SMD	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	KOA SPEER ELECTRONICS	[* * *]
ECS-RE-07672	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	25/11/2009	Dead		
ECS-RE-07672	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/09/2009	Dead		
ECS-RE-07872	RES SMT	pur	1	1	50	YAGEO	[* * *]	25/11/2009	Dead		
ECS-RE-06060	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-08050	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	29/11/2009	Active	Customer cat no	[* * *]
ECS-RE-0R050	RES SMT	pur	1	1	50	VISHAY	[* * *]	09/12/2009	Dead	Customer cat no	[* * *]
ECS-RE-00012	RES SMD	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	YAGEO	[* * *]

ECS-RE-10012	RES SMD	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-10015	RES POW	pur	1	1	60	VISHAY	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-RE-10153	RES SMT	pur	1	1	60	VISHAY	[* * *]	09/12/2009	Dead		
ECS-RE-10153	RES SMT	pur	1	1	60	YAGEO	[* * *]	09/12/2009	Dead		
ECS-RE-11402	RES 14K	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-11402	RES 14K	pur	10000	10000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-12402	RES 24K	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-12402	RES 24K	pur	10000	10000	70	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-12402	RES 24K	pur	10000	10000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-13901	RES 3.9K	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-13901	RES 3.9K	pur	10000	10000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-20010	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-20010	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	YAGEO	[* * *]
ECS-RE-20010	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-20015	RES SMT	pur	1	1	60	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-20016	RES SMT	pur	1	1	50	YAGEO	[* * *]	02/08/2009	Dead		
ECS-RE-21242	RES 12.4K	pur	9000	9000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]
ECS-RE-2218M	FERRITE	pur	4000	4000	70	MURATA MANUFACTURING	[* * *]	02/08/2009	Active	MURATA MANUFACTURING	[* * *]
ECS-RE-27321	RES 2.32M	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]
ECS-RE-23602	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-23602	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-23602	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-24121	RES 4.12K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]
ECS-RE-25101	RES 5.1K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]
ECS-RE-26341	RES 6.34K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]
ECS-RE-27R40	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-30000	RES 0402	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-30000	RES 0402	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-30011	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-30011	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	24/11/2009	Active	Customer cat no	[* * *]
ECS-RE-30012	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	16/06/2009	Active	Customer cat no	[* * *]
ECS-RE-30012	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	25/11/2009	Active	Customer cat no	[* * *]
ECS-RE-30013	RES 1K	pur	10000	10000	70	VISHAY	[* * *]	02/09/2009	Active	YAGEO	[* * *]
ECS-RE-30013	RES 1K	pur	10000	10000	70	YAGEO	[* * *]	02/12/2009	Active	YAGEO	[* * *]
ECS-RE-	RES	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]

30014	SMT											
ECS-RE-30014	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-30014	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-30015	RES 0402	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-30015	RES 0402	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-30016	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-30016	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-31243	RES 124K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]	
ECS-RE-349R9	RES SMT	pur	5000	5000	75	KOA SPEER ELECTRONICS	[* * *]	26/01/2010	Active	VISHAY	[* * *]	
ECS-RE-349R9	RES SMT	pur	5000	5000	75	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-RE-36982	RES 69.8k	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	YAGEO	[* * *]	
ECS-RE-39R22	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	27/01/2010	Active	Customer cat no	[* * *]	
ECS-RE-39R22	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-39R22	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	27/01/2010	Active	Customer cat no	[* * *]	
ECS-RE-40012	RES 100 C	pur	5000	5000	70	VISHAY	[* * *]	22/11/2009	Active	YAGEO	[* * *]	
ECS-RE-40012	RES 100 C	pur	5000	5000	70	YAGEO	[* * *]	29/11/2009	Active	YAGEO	[* * *]	
ECS-RE-40015	RES 100K	pur	5000	5000	70	VISHAY	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	

ECS-RE-40015	RES 100K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]
ECS-RE-49R90	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-49R90	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-9R091	RES 9.09	pur	10000	10000	70	VISHAY	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-9R091	RES 9.09	pur	10000	10000	70	YAGEO	[* * *]	16/12/2009	Active	Customer cat no	[* * *]
ECS-RE-R0220	RES SMT	pur	1	1	50	VISHAY	[* * *]	09/12/2009	Dead		
ECS-RE-R0330	RES SMT	pur	1	1	50	VISHAY	[* * *]	01/12/2009	Dead		
ECS-RE-X0000	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0000	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-X0010	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	VISHAY	[* * *]
ECS-RE-X0010	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-X0012	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-X0012	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-X0013	RES SMT	pur	1	1	50	VISHAY	[* * *]	09/12/2009	Dead		
ECS-RE-X0013	RES SMT	pur	1	1	50	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-X0022	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0022	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	27/01/2010	Active	Customer cat no	[* * *]

ECS-RE-X0032	RES SMT	pur	5000	5000	60	YAGEO	[* * *]	22/10/2009	Dead	YAGEO	[* * *]
ECS-RE-X0034	RES SMT	pur	1	1	50	VISHAY	[* * *]	09/12/2009	Dead		
ECS-RE-	RES	pur	1	1	50	YAGEO	[* * *]	09/12/2009	Dead		

X0034	SMT											
ECS-RE-X0113	RES 11.0K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X0154	RES 150K	pur	5000	5000	70	VISHAY	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X0154	RES 150K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X0163	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead			
ECS-RE-X0182	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	27/01/2010	Dead	Customer cat no	[* * *]	
ECS-RE-X0182	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
ECS-RE-X0182	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	27/01/2010	Dead	Customer cat no	[* * *]	
ECS-RE-X0183	RES SMT	pur	1	1	50	VISHAY	[* * *]	09/12/2009	Dead			
ECS-RE-X0183	RES SMT	pur	1	1	50	YAGEO	[* * *]	09/12/2009	Dead			
ECS-RE-X0224	RES 220K	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	08/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X0224	RES 220K	pur	5000	5000	70	YAGEO	[* * *]	06/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X0330	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	KOA SPEER ELECTRONICS	[* * *]	
ECS-RE-X0330	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	KOA SPEER ELECTRONICS	[* * *]	
ECS-RE-X0392	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	

ECS-RE-X0392	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-X0472	RES SMT	pur	10000	10000	60	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-X0472	RES SMT	pur	10000	10000	60	YAGEO	[* * *]	16/12/2009	Dead	Customer cat no	[* * *]
ECS-RE-X0510	RES SMT	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0510	RES SMT	pur	10000	10000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-X0512	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0514	RES SMD	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0514	RES SMD	pur	5000	5000	70	YAGEO	[* * *]	25/11/2009	Active	Customer cat no	[* * *]
ECS-RE-X0593	RES SMT	pur	5000	5000	75	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X0593	RES SMT	pur	5000	5000	75	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-X0594	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	25/11/2009	Dead		
ECS-RE-X0594	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-X0622	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/12/2009	Active	VISHAY	[* * *]
ECS-RE-X0622	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-X0752	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-X0752	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-X0R10	RES SMT	pur	4000	4000	70	VISHAY	[* * *]	18/08/2009	Active	VISHAY	[* * *]

ECS-RE-X2491	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X2492	RES SMT	pur	1	1	50	KOA SPEER ELECTRONICS	[* * *]	25/11/2009	Dead		
ECS-RE-X2492	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-X3483	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	18/08/2009	Active	Customer cat no	[* * *]
ECS-RE-X3483	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]

X3483	SMT											
ECS-RE-X4990	RES 499 C	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	30/09/2009	Active	Customer cat no	[* * *]	
ECS-RE-X4990	RES 499 C	pur	5000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X4991	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Active	KOA SPEER ELECTRONICS	[* * *]	
ECS-RE-X4991	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Active	KOA SPEER ELECTRONICS	[* * *]	
ECS-RE-X4992	RES 49.9K	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-RE-X4992	RES 49.9K	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	VISHAY	[* * *]	
ECS-RE-X6041	RES 6.04K	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X6041	RES 6.04K	pur	5000	5000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-X8661	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
ECS-RE-X8661	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	01/12/2009	Dead	Customer cat no	[* * *]	
ECS-RE-XR020	RES SMT	pur	2000	2000	70	IRC	[* * *]	22/10/2009	Active	Customer cat no	[* * *]	
ECS-RE-XR020	RES SMT	pur	2000	2000	70	VISHAY	[* * *]	18/08/2009	Active	Customer cat no	[* * *]	

ECS-RE-XR100	RES SMT	pur	2000	1000	70	IRC	[* * *]	08/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0000	RES SMD	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0000	RES SMD	pur	10000	10000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0010	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	VISHAY	[* * *]
ECS-RE-Y0010	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	VISHAY	[* * *]
ECS-RE-Y0011	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0011	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0013	RES MF 1	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0013	RES MF 1	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0014	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0014	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0015	RES MF 1	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0015	RES MF 1	pur	10000	10000	70	YAGEO	[* * *]	02/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0024	RES SMD	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-Y0024	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]
ECS-RE-Y0024	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-Y0112	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead	VISHAY	[* * *]

ECS-RE-Y0112	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	VISHAY	[* * *]
ECS-RE-Y0112	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Dead	VISHAY	[* * *]
ECS-RE-Y0151	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/08/2009	Active	YAGEO	[* * *]
ECS-RE-Y0152	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0152	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0154	RES 150K	pur	5000	5000	70	YAGEO	[* * *]	27/10/2009	Active	YAGEO	[* * *]
ECS-RE-Y0154	RES	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	25/01/2010	Active	Customer cat no	[* * *]

Y0183	SMT											
ECS-RE-Y0183	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-Y0183	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	25/01/2010	Active	Customer cat no	[* * *]	
ECS-RE-Y0221	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-RE-Y0222	RES SMD	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
ECS-RE-Y0222	RES SMD	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-Y0223	RES SMT	pur	10000	10000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-RE-Y0332	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	13/12/2009	Active	YAGEO	[* * *]	
ECS-RE-Y0332	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]	
ECS-RE-Y0510	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	02/12/2009	Active	YAGEO	[* * *]	
ECS-RE-Y0510	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	02/12/2009	Active	YAGEO	[* * *]	

ECS-RE-Y0510	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	02/11/2009	Active	YAGEO	[* * *]
ECS-RE-Y0562	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[* * *]	24/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0562	RES SMT	pur	5000	5000	70	VISHAY	[* * *]	17/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0562	RES SMT	pur	5000	5000	70	YAGEO	[* * *]	24/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Y0822	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-Y1212	RES SMT	pur	1	1	75	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-Y1212	RES SMT	pur	1	1	75	YAGEO	[* * *]	01/12/2009	Dead		
ECS-RE-Y3013	RES SMT	pur	1	1	60	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead		
ECS-RE-Y3013	RES SMT	pur	1	1	50	VISHAY	[* * *]	18/08/2009	Dead		
ECS-RE-Z0011	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-RE-Z0011	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	26/01/2010	Active	Customer cat no	[* * *]
ECS-RE-Z0023	RES 2K O	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	05/01/2010	Active	VISHAY	[* * *]
ECS-RE-Z0023	RES 2K O	pur	10000	10000	70	VISHAY	[* * *]	09/12/2009	Active	VISHAY	[* * *]
ECS-RE-Z0023	RES 2K O	pur	10000	10000	70	YAGEO	[* * *]	05/01/2010	Active	VISHAY	[* * *]
ECS-RE-Z0024	RES 20K	pur	10000	10000	70	KOA SPEER ELECTRONICS	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Z0024	RES 20K	pur	10000	10000	70	YAGEO	[* * *]	09/12/2009	Active	Customer cat no	[* * *]
ECS-RE-Z0034	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]

ECS-RE-Z0034	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	VISHAY	[* * *]
ECS-RE-Z0154	RES SMT	pur	1	1	60	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-Z1652	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	01/12/2009	Dead	Customer cat no	[* * *]
ECS-RE-Z1652	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]
ECS-RE-Z1652	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Dead	Customer cat no	[* * *]
ECS-RE-Z2152	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	YAGEO	[* * *]
ECS-RE-Z2152	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	01/12/2009	Active	YAGEO	[* * *]
ECS-RE-Z2R10	RES SMT	pur	10000	5000	70	KOA SPEER ELECTRONICS	[* * *]	16/12/2009	Active	YAGEO	[* * *]
ECS-RE-Z2R10	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	18/08/2009	Active	YAGEO	[* * *]

Z2R10	SMT											
ECS-RE-Z2R10	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	16/12/2009	Active	YAGEO	[* * *]	
ECS-RE-Z4020	RES SMT	pur	1	1	60	VISHAY	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
ECS-RE-Z4020	RES SMT	pur	1	1	60	YAGEO	[* * *]	01/12/2009	Dead	Customer cat no	[* * *]	
ECS-RE-Z4422	RES 44.2K	pur	5000	5000	70	VISHAY	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-Z4422	RES 44.2K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-Z4993	RES 499K	pur	5000	5000	70	YAGEO	[* * *]	03/12/2009	Active	Customer cat no	[* * *]	
ECS-RE-Z6962	RES SMT	pur	10000	5000	70	VISHAY	[* * *]	02/08/2009	Active	VISHAY	[* * *]	
ECS-RE-Z6962	RES SMT	pur	10000	5000	70	YAGEO	[* * *]	25/11/2009	Active	VISHAY	[* * *]	

ECS-RF-DR363	IC VREF P	pur	250	250	85	ANALOG DEVICES	[* * *]	02/08/2009	Active	ANALOG DEVICES	[* * *]
ECS-SH-M4041	IC VOLT R	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	18/08/2009	Dead		
ECS-SV-03306	IC AUTO 5	pur	2500	2500	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-SV-3805H	IC VOLT C	pur	1	1	60	TEXAS INSTRUMENTS	[* * *]	24/08/2009	Dead		
ECS-SW-3159D	IC SMT sw	pur	3000	3000	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]
ECS-SW-S2102	SWITCH 5	pur	900	900	70	OMRON	[* * *]	18/11/2009	Active	Customer cat no	[* * *]
ECS-TF-1NK60	Trans Mos	pur	2500	2500	60	STMICROELECTRONICS	[* * *]	27/10/2009	Active	Customer cat no	[* * *]
ECS-TR-2222A	TRANS G	pur	12000	3000	30	FAIRCHILD	[* * *]	27/10/2009	Active	FAIRCHILD	[* * *]
ECS-TR-39NC8	Transistor	pur	600	600	60	STMICROELECTRONICS	[* * *]	02/08/2009	Dead	STMICROELECTRONICS	[* * *]
ECS-TR-40N60	TRANS IG	pur	300	300	60	FAIRCHILD	[* * *]	28/12/2009	Active	FAIRCHILD	[* * *]
ECS-TR-5NC60	Transistor	pur	2500	2500	90	STMICROELECTRONICS	[* * *]	02/08/2009	Dead	STMICROELECTRONICS	[* * *]
ECS-TS-401AI	IC SMT PW	pur	25	25	100	TEXAS INSTRUMENTS	[* * *]	02/08/2009	Active	TEXAS INSTRUMENTS	[* * *]
ECS-TS-TMP36	IC SENS C	pur	3000	3000	85	ANALOG DEVICES	[* * *]	25/01/2010	Active	Customer cat no	[* * *]
ECS-VC-01505	XTAL SMT	pur	1000	1000	75	ECS	[* * *]	02/08/2009	Active	ECS	[* * *]
ECS-VR-00001	XTAL SMT	pur	1000	1000	75	ECS	[* * *]	18/08/2009	Active	ECS	[* * *]
ECS-VR-00002	CRYSTAL	pur	1000	1000	75	ECS	[* * *]	02/08/2009	Active	ECS	[* * *]
ECS-VR-00003	CRYSTAL	pur	1	1	75	ECS	[* * *]	02/08/2009	Active	Customer cat no	[* * *]

ECS-VR-505SM	TRANSIET	pur	1	1	60	MICROSEMI	[* * *]	30/09/2009	Dead	Customer cat no	[* * *]
ECS-VR-85MLA	VARISTOP	pur	2000	2000	70	LITTLEFUSE	[* * *]	18/08/2009	Active	LITTELFUSE	[* * *]
-MGC-LB-00001	Product La	pur	1	1	3	BROTHER RESHEF	[* * *]	14/01/2010	Active		
-MGC-LB-00003	Certification	pur	1	1	25	BROTHER RESHEF	[* * *]	14/01/2010	Active		
-MCG-LB-12075	Label 120	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCG-LB-30101	Label 30.4	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCG-LB-49X89	Label 49.3	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCG-LB-50101	Label 50.8	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCG-LB-63X38	Label 6.35	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCG-LB-95X50	Label 9.5x	pur	1	1	25	NORTEC	[* * *]	27/01/2010	Dead		
-MCI-CB-	PV cable 6	pur	1	1	60	KBE LEK	[* * *]	22/11/2009	Active	Customer cat no	[* * *]

00007															
-MCI-CB-00010	Wire #26 h	pur	1	1	60	ALPHA WIRE	[** *	31/01/2010	Active						
-MCI-CB-00011	Wire #26 h	pur	1	1	60	ALPHA WIRE	[** *	31/01/2010	Active						
MCI-CB-00015	Wire #26 hr	Pur	1	1	50	ALPHA WIRE	[** *	31/01/2010	Active						
MCI-CB-00017	Wire #26 hr	Pur	1	1	50	ALPHA WIRE	[** *	31/01/2010	Active						
MCI-CB-00018	Cable #12	Pur	1	1	60	MULTICONTACT	[** *	31/01/2010	Deed						
MCI-CB-00015	Cable #12	Pur	1	1	60	LEONI	[** *	24/06/2009	Deed						

MCI-CG-010F0	Connector	Pur	20000	20000	70	MOLEX	[** *	02/09/2009	Active	MOLEX	[** *
MCI-CG-010F1	Connector	Pur	1	1	70	AMTEK	[** *	02/09/2009	Deed	AMTEK	[** *
MCI-CG-031F0	Connector	Pur	500	500	70	MOLEX	[** *	02/09/2009	Active	Customer cat no	[** *
MCI-CG-051F0	Connector	Pur	1000	1000	70	AMTEK	[** *	02/09/2009	Dead	AMTEK	[** *
MCI-CG-121F0	CONN RJ	Pur	400	400	70	AMTEK	[** *	21/01/2010	Active	Customer cat no	[** *
MCI-CG-121F0	CONN RJ	Pur	400	400	70	KINSUN	[** *	21/01/2010	Active	Customer cat no	[** *
MCI-CN-00003	RU11 6/4 p	pur	1	1	60	AMTEK	[** *	19/01/2010	Active		[** *
MCI-CN-00010	Conn Tyco	Pur	1	1	60	TYCO	[** *	25/01/2010	Dead		[** *
MCI-CN-00021	D9 male F1	Pur	100	100	75	AMTEK	[** *	02/08/2000	Dead	Customer cat no	[** *
MCI-CN-00024	Conn Tyco	Pur	1	1	60	TYCO	[** *	06/01/2010	Dead	Customer cat no	[** *
MCI-CN-00026	Conn Tyco	Pur	1	1	60	TYCO	[** *	08/01/2010	Dead	Customer cat no	[** *
MCI-CN-00029	MC 4mm	Pur	1	1	70	MULTICONTACT	[** *	12/10/2009	Active	Customer cat no	[** *
MCI-CN-00030	MC 4mm F	Pur	1	1	70	MULTICONTACT	[** *	12/10/2009	Active	Customer cat no	[** *
MCI-CN-00036	Conn Male	Pur	1	1	75	MULTICONTACT	[** *	12/10/2009	Dead	Customer cat no.	[** *
MCI-CN-00039	Conn F	Pur	1	1	50	MULTICONTACT	[** *	12/10/2009	Dead	Customer cat no	[** *
MCI-CN-00045	HEADER	Pur	1	1	75	AMTEK	[** *	24/12/2009	Active	Customer cat no	[** *
MCI-CN-00046	Bushes wff	Pur	1	1	75	WUERTH ELEKTRONIK	[** *	18/10/2009	Active	WUERTH ELEKTRONIK	[** *

ECI-CE-23906	CAP EL 39	pur	1000	1000	100	RUBYCON	[** *	16/12/2009	Active	Customer cat no	[** *
ECI-CE-40476	CAP TH 4	pur	8000	2000	100	RUBYCON	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CE-50019	CAP TH 1	pur	1000	1000	75	NIPPON CHEMI CON	[** *	16/12/2009	Dead	NIPPON CHEMI CON	[** *
ECI-CE-50228	CAP TH 2	pur	800	800	75	NIPPON CHEMI CON	[** *	02/08/2009	Dead	Customer cat no	[** *
ECI-CE-70476	CAP SMT	pur	1000	1000	100	NIPPON CHEMI CON	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CE-90019	CAP 1000	pur	600	600	100	SIC SAFECO	[** *	02/08/2009	Active	SIC SAFECO	[** *
ECI-CE-90356	CAP TH 3	pur	2000	2000	100	NIPPON CHEMI CON	[** *	02/08/2009	Active	NIPPON CHEMI CON	[** *
ECI-CE-90477	CAP TH 4	pur	8000	2000	100	RUBYCON	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CE-9A557	CAP ELEC	pur	800	500	100	NIPPON CHEMI CON	[** *	22/11/2009	Active	NIPPON CHEMI CON	[** *
ECI-CF-90335	CAP CER	pur	70	70	100	VISHAY	[** *	18/10/2009	Active	Customer cat no	[** *
ECI-CF-90684	CAP REG	pur	6376	5376	100	WIMA(WILHELM WESTRMANN)	[** *	08/11/2009	Active	Customer cat no	[** *
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[** *	11/10/2009	Active	Customer cat no	[** *
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[** *	08/11/2009	Active	Customer cat no	[** *
ECI-CF-90684	CAP REG	pur	5376	5376	100	WIMA(WILHELM WESTRMANN)	[** *	11/10/2009	Active	Customer cat no	[** *
ECI-CF-94703	CAP TH 47	pur	5000	500	100	VISHAY	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CF-9X474	CAP TH 47	pur	10000	100	100	VISHAY	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CN-00048	Black star	pur	1	1	70	KANG YANG HARDWARE ENTERPRISES	[** *	27/10/2009	Dead		[** *
ECI-CN-00092	Modular J	pur	1	1	75	AMTEK	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-CY-90014	CAP TH 1	pur	1	1	60	WIMA(WILHELM WESTRMANN)	[** *	31/08/2009	Dead		[** *
ECI-CY-90222	CAP TH C	pur	10500	750	100	VISHAY	[** *	02/08/2009	Active	VISHAY	[** *
ECI-CY-90223	CAP TH 2	pur	1	1	50	WIMA(WILHELM WESTRMANN)	[** *	31/08/2009	Dead		[** *
ECI-CY-92014	CAP RAD	pur	5000	1000	100	VISHAY	[** *	01/09/2009	Active	Customer cat no	[** *
ECI-CY-97223	CAP TH 2	pur	5250	750	100	VISHAY	[** *	01/09/2009	Active	Customer cat no	[** *
ECI-DC-0632A	RELAY 30	pur	50	50	70	SONG CHUAN	[** *	08/12/2009	Active	Customer cat no	[** *
ECI-DC-2600L	SURGE A	pur	300	50	60	LITTELFUSE	[** *	02/08/2009	Active	Customer cat no	[** *
ECI-DC-A9DEF	POWER	pur	100	40	75	ZETTLER COMPONENTS INC	[** *	02/08/2009	Dead	ZETTLER COMPONENTS INC	[** *
ECI-IF-3063T	OPTOCO	pur	1	1	60	FAIRCHILD	[** *	02/08/2009	Dead	FAIRCHILD	[** *
ECI-IF-P797J	OPTOCO	pur	400	50	45	TOSHIBA	[** *	08/12/2009	Active	TOSHIBA	[** *
ECI-IF-W3120	OPTOCO	pur	84	42	60	AVAGO TECHNOLOGIES	[** *	02/08/2009	Active	Customer cat no	[** *

ECI-IF-XBP24	XBee PRC	pur	1	1	60	DIGI INTERNATIONAL USA	[***]	01/12/2009	Active	DIGI INTERNATIONAL USA	[***]
ECI-IN-00000	IC THTRA	pur	2500	1	75	VAC	[***]	02/08/2009	Active	Customer cat no	[***]
ECI-IN-00002	CHOKE D	pur	1	1	75	SMP	[***]	02/08/2009	Active	Customer cat no	[***]
ECI-IN-00003	CHOKE S	pur	1	1	75	KASCHKE SMARTPOWER	[***]	02/08/2009	Active	Customer cat no	[***]
ECI-IN-00801	IC TH lp	pur	2500	1	75	VAC	[***]	02/08/2009	Active	Customer cat no	[***]
ECI-IN-07634	Filters TH	pur	1200	1260	75	MURATA MANUFACTURING	[***]	02/08/2009	Active	MURATA MANUFACTURING	[***]
ECI-IN-11487	Transform	pur	1400	100	70	PAYTON	[***]	03/12/2009	Active	Customer cat no	[***]
ECI-IN-11487	Transform	pur	1400	100	70	XFMRS	[***]	22/11/2009	Active	Customer cat no	[***]
ECI-IN-20216	CHOKE C	pur	1080	1	75	MAGNETICS L.T.D.	[***]	06/01/2010	Active	Customer cat no	[***]
ECI-IN-30201	CHOKE C	pur	1000	1000	70	MAGNETICS L.T.D.	[***]	06/01/2010	Active	Customer cat no	[***]
ECI-IN-40031	IC TH tran	pur	5000	1	75	VAC	[***]	02/08/2009	Active	Customer cat no	[***]
ECI-RE-00153	RES TH 1	pur	1	1	60	VISHAY	[***]	18/10/2009	Dead	Customer cat no	[***]
ECI-RE-03102	RES SMT	pur	5000	5000	70	KOA SPEER ELECTRONICS	[***]	30/09/2009	Active	YAGEO	[***]
ECI-RE-03162	RES SMT	pur	5000	5000	70	YAGEO	[***]	01/12/2009	Active	YAGEO	[***]
ECI-RE-X0100	NTC CUR	pur	3000	3000	70	AVXKYOCERA	[***]	29/11/2009	Active	EPCOS	[***]

MCI-CN-00047	Red stands	Pur	1	1	70	KANG YANG HARDWARE ENTERPRISES	[***]	27/10/2009	Dead		[***]
MCI-CN-00048	Cable Glar	Pur	100000	1	60	BIMED	[***]	03/12/2009	Active	BIMED	[***]
MCI-CN-00049	2 POLE: P	Pur	1	1	75	PHOENIX CONTACT	[***]	02/08/2009	Dead	PHOENIX CONTACT	[***]
MCI-CN-00050	CONN TH	Pur	1	1	70	DINKLE	[***]	04/11/2009	Active	DINKLE	[***]
MCI-CN-00050	CONN TH	Pur	1	1	70	PHOENIX CONTACT	[***]	02/05/2009	Active	DINKLE	[***]
MCI-CN-00051	CONN TH	Pur	1	1	70	DINKLE	[***]	04/11/2000	Active	DINKLE	[***]
MCI-CN-00051	CONN TH	Pur	1	1	70	PHOENIX CONTACT	[***]	02/08/2009	Active	DINKLE	[***]
MCI-CN-00062	17'2 HEAD	Pur	1	1	70	AMTEK	[***]	03/11/2009	Active	Customer cat no	[***]
MCI-CN-00063	Cable gland	Pur	1	1	73	SIMED	[***]	01/11/2009	Dead	Customer cat no	[***]
MCI-CN-00063	Cable gland	Pur	1	1	75	HEYCO	[***]	02/08/2009	Dead	Customer cat no	[***]
MCI-CN-00076	Switch pus	Pur	1	1	75	RAFI	[***]	02/05/2009	Active	Customer cat no	[***]
MCI-CN-00077	Switch on	Pur	1	1	75	RAFI	[***]	02/08/2009	Active	Customer cat no	[***]
MCI-CN-00078	Terminal 2	Pur	1	1	75	RAFI	[***]	02/08/2008	Active	RAFI	[***]
MCI-CN-00080	Sealed 9 pi	Pur	1	1	30	AMTEK	[***]	02/08/2009	Active	Customer cat no	[***]
MCI-CN-00083	HEADER	Pur	1000	1000	60	AMTEK	[***]	02/08/2000	Dead	AMTEK	[***]
MCI-CN-00084	HEADER	Pur	1000	1000	50	AMTEK	[***]	02/08/2009	Dead	Customer cat no	[***]
MCI-CN-00085	CONNECT	Pur	1000	1000	75	AMTEK	[***]	02/06/2009	Active	Customer cat no	[***]

MCI-CN-00090	Header TH	Pur	1	1	70	NELTRON	[***]	2 /12/2009	Active	Customer cat no	[***]
MCI-CN-00094	PV connec	Pur	1	1	60	LUMBERG	[***]	24/08/2009	Dead		[***]
MCI-CN-00095	PV connec	Pur	1	1	50	LUMBERG	[***]	24/08/2009	Dead		[***]
MCI-CN-00096	Connector	Pur	1	1	75	LUMBERG	[***]	02/05/2009	Dead	Customer cat no	[***]
MCI-CN-00097	Connector	Pur	1	1	75	LUMBERG	[***]	02/08/2009	Dead	Customer cat no	[***]
MCI-CN-00100	BMEN23 c	Pur	1	1	30	BIMEO	[***]	05/01/2010	Active	Customer cat no	[***]
MCI-CN-00103	1A350V 4	Pur	1	1	60	AMTEK	[***]	02/08/2009	Dead		[***]
MCI-CN-00105	RJ11 5 pin	Pur	1	1	70	AMTEK	[***]	02/12/2009	Dead	Customer cat no	[***]
MCI-CN-00107	Crimp pin 1	Pur	10000	10000	70	AMTEK	[***]	02/05/2009	Active	AMTEK	[***]
MCI-CN-00112	MC3 PV m	Pur	1	1	70	MULTICONTACT	[***]	22/11/2009	Active	Customer cat no	[***]
MCI-CN-00115	MC3 PV fe	Pur	1	1	70	MULTICONTACT	[***]	22/11/2009	Active	Customer cat no	[***]
MC-CN-R0045	HEADER	Pur	1	1	40	COXOC	[***]	10/01/2010	Dead		[***]
MCI-CN-	HEADER	Pur	1	1	40	SAMTEC	[***]	28/01/2010	Dead		[***]

R0045												
MCI-CN-R0062	17x2 HEAD	Pur	1	1	40	COXOC	[* * *]	10/01/2010	Dead			
MCI-CN-R0062	17x2 HEAD	Pur	1	1	40	SAMTEC	[* * *]	28/01/2010	Dead			
MCI-CT-02120	Terminal B	Pur	1	1	70	DINKLE	[* * *]	27/10/2009	Active	DINKLE		[* * *]
MCI-CT-021F0	Conn Term	Pur	800	800	70	DINKLE	[* * *]	19/11/2009	Active	DINKLE		[* * *]

MCI-CT-021F0	Conn Term	Pur	800	800	70	PHOENIX CONTACT	[* * *]	27/10/2009	Active	DINKLE		[* * *]
MCI-DC-9750P	FUSE TH	Pur	1000	1000	40	LITTELFUSE	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-DC-32003	FUSE 250	Pur	1	1	40	LITTELFUSE	[* * *]	02/08/2009	Dead	Customer cat no		[* * *]
MCI-GL-00003	RTV	Pur	1	1	30	AMERICAN EAGLE	[* * *]	22/12/2009	Active	AMERICAN EAGLE		[* * *]
MCI-GL-00065	Fast glum	Pur	1	1	30	LOCTITE	[* * *]	02/05/2009	Active	Customer cat no		[* * *]
MCI-MC-00005	Shrink 3 m	Pur	800	1	30	UNITUBE	[* * *]	31/01/2010	Active			
MCI-MC-00021	Ventilation	Pur	1	1	50	BIMED	[* * *]	12/10/2009	Dead	Customer cat no		[* * *]
MCI-MC-00025	Screw M3)	Pur	5000	1000	30	ALKA FASTENERS LTD.	[* * *]	19/01/2010	Active			
MCI-MC-00025	Screw MS)	Pur	5000	1000	30	PALBOREG	[* * *]	22/11/2009	Active			
MCI-MC-00026	Spacer ME	Pur	3000	1000	30	PALBOREG	[* * *]	15/12/2009	Dead			
MCI-MC-00027	Spacer Me	Pur	10000	1000	30	ALKA FASTENERS LTD.	[* * *]	05/01/2010	Active	Customer cat no		[* * *]
MCI-MC-00027	Spacer Me	Pur	10000	1000	30	PALBOREG	[* * *]	22/11/2009	Active	Customer cat no		[* * *]
MCI-MC-00030	PHILPAN	Pur	1	1	30	ALKA FASTENERS LTD.	[* * *]	23/11/2009	Active	PALBOREG		[* * *]
MCI-MC-00030	PHILPAN	Pur	1	1	30	PALBOREG	[* * *]	02/08/2009	Active	PALBOREG		[* * *]
MCI-MC-00031	Washer	Pur	20000	1	30	PALBOREG	[* * *]	02/08/2009	Active	PALBOREG		[* * *]
MCI-MC-00032	Washer TC	Pur	20000	1	30	PALBOREG	[* * *]	02/06/2009	Active	PALBOREG		[* * *]
MCI-MC-00043	SCREW	Pur	1	1	30	PALBOREG	[* * *]	02/08/2009	Dead	PALBOREG		[* * *]

MCI-MC-00044	Screw 70m	Pur	1000	1	30	PALBOREG	[* * *]	02/11/2009	Active	Customer cat no		[* * *]
MCI-MC-00045	Screw plas	Pur	2000	2000	30	KANG YANG HARDWARE ENTERPRISES	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-MC-00046	Screw plas	Pur	2000	2000	30	SOLAREEDGE	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-MC-00047	Screw 8mm	Pur	5000	1	30	PALBOREG	[* * *]	02/08/2009	Active	PALBOREG		[* * *]
MCI-MC-00048	Spring was	Pur	5000	100	30	PALBOREG	[* * *]	26/10/2009	Active	Customer cat no		[* * *]
MCI-MC-00049	Spacer Pla	Pur	1000	1000	30	KANG YANG HARDWARE ENTERPRISES	[* * *]	05/11/2009	Dead			
MCI-MC-00050	Heatsink fc	Pur	1000	1000	50	AAVID	[* * *]	22/11/2009	Active	Customer cat no		[* * *]
MCI-MC-00051	Spacer Me	Pur	20000	10000	30	ALKA FASTENERS LTD.	[* * *]	05/01/2010	Active	Customer cat no		[* * *]
MCI-MC-00051	Spacer Me	Pur	20000	10000	30	PALBOREG	[* * *]	22/11/2009	Active	Customer cat no		[* * *]
MCI-MC-00052	FLAT WA	Pur	20000	1	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-MC-00053	SPRING W	Pur	20000	1	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-MC-00054	Clips for IC	Pur	3000	1	50	AAVID	[* * *]	02/08/2009	Active	Customer cat no		[* * *]
MCI-MC-00055	WASHER	Pur	20000	1	30	PALBOREG	[* * *]	02/08/2009	Active	PALBOREG		[* * *]
MCI-MC-00057	SCREW	Pur	5000	1	30	PALBOREG	[* * *]	02/0 /2009	Active	Customer cat no		[* * *]
MCI-MC-	Spring	Pur	5000	1	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no		[* * *]

00058	Loc											
MCI-MC-00059	Flat Wash	Pur	5000	1	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00061	Spacer So	Pur	10000	1	30	ALKA FASTENERS LTD	[* * *]	23/11/2009	Active	ALKA FASTENERS LTD	[* * *]	
MCI-MC-00061	Spacer SO	Pur	10000	1	30	PALBOREG	[* * *]	02/08/2009	Active	ALKA FASTENERS LTD	[* * *]	
MCI-MC-00062	Spacer fan	pur	1000	1000	30	KANG YANG HARDWARE ENTERPRISES	[* * *]	02/08/2009	Active	KANG YANG HARDWARE ENTERPRISES	[* * *]	
MCI-MC-00064	standoff pl	pur	2000	2000	40	KANG YANG HARDWARE ENTERPRISES	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00065	STANDOF	pur	100000	1	30	ALKA FASTENERS LTD	[* * *]	23/11/2009	Active	ALKA FASTENERS LTD.	[* * *]	
MCI-MC-00065	STANDOF	pur	100000	1	30	PALBOREG	[* * *]	02/08/2009	Active	ALKA FASTENERS LTD.	[* * *]	
MCI-MC-00066	Spacer pla	pur	1000	1000	30	KANG YANG HARDWARE ENTERPRISES	[* * *]	01/11/2009	Active	KANG YANG HARDWARE ENTERPRISES	[* * *]	
MCI-MC-00067	head sink N	pur	1	1	50	SOLAREEDGE	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
MCI-MC-00068	thermal pa	pur	1	1	50	KUNZE	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
MCI-MC-00069	cable holde	pur	10000	1	60	YCI (YEONG CHWEN IND.)	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00070	cable holde	pur	10000	1	60	YCI (YEONG CHWEN IND.)	[* * *]	02/08/2009	Active	YCI (YEONG CHWEN IND.)	[* * *]	
MCI-MC-00073	Shrink for l	pur	400	200	60	UNICHEM CO. LTD.	[* * *]	02/08/2009	Active	UNICHEM CO. LTD.	[* * *]	
MCI-MC-00075	Shrink for l	pur	400	200	60	UNICHEM CO. LTD.	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00076	Shrink for 8mn	pur	400	200	60	UNICHEM CO. LTD.	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00077	shrink 2 m	pur	1	1	60	UNICHEM CO. LTD.	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00078	FALT CAB	pur	1	1	60	AMTEK	[* * *]	02/08/2009	Dead	Customer cat no	[* * *]	
MCI-MC-00079	6 mm cabl	pur	1	1	60	TA HSING	[* * *]	22/01/2010	Active	Customer cat no	[* * *]	
MCI-MC-00080	SCREW H	pur	5000	1	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00081	Spacer Pla	pur	1000	1000	40	KANG YANG HARDWARE ENTERPRISES	[* * *]	19/01/2010	Active			
MCI-MC-00082	SCR PHIL	pur	10000	1000	30	PALBOREG	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00084	THERMAL	pur	10000	1	50	GROW RICH	[* * *]	24/08/2009	Dead			
MCI-MC-00085	M3 jack po	pur	3000	1	30	AMTEK	[* * *]	02/06/2009	Active	AMTEK	[* * *]	
MCI-MC-00086	Spacer flat	pur	1	1	30	LEV MATECHET	[* * *]	15/11/2009	Active	Customer cat no	[* * *]	
MCI-MC-00086	Spacer flat	pur	1	1	30	SOLAREEDGE	[* * *]	02/08/2009	Active	Customer cat no	[* * *]	
MCI-MC-00090	AC DC cat	pur	5000	1	60	APPLETEC	[* * *]	14/10/2009	Dead	APPLETEC	[* * *]	
MCI-MC-00090	AC DC cat	pur	5000	1	60	APPLETEC	[* * *]	05/11/2009	Dead	APPLETEC	[* * *]	
MCI-MC-00091	Venus cho	pur	2400	1	50	DIGITAL-CUT O.R. 2002	[* * *]	11/11/2009	Active	DIGITAL-CUT O.R. 2002	[* * *]	
MCI-MC-00094	Lexan for S	pur	1	1	40	SOLAREEDGE	[* * *]	02/08/2009	Active			
MCI-MC-00095	M3 PCB m	pur	1	1	30	MAC-8(MAC EIGHT CO)	[* * *]	18/08/2009	Dead	Customer cat no	[* * *]	
MCI-MC-00096	SCR M2.5	pur	1	1	30	PALBOREG	[* * *]	02/08/2009	Dead			
MCI-MC-00097	FLAT WAS	pur	1	1	30	PALBOREG	[* * *]	02/08/2009	Dead			
MCI-MC-00098	WASHER	pur	1	1	30	PALBOREG	[* * *]	14/10/2009	Dead			
MCI-MC-00098	WASHER	pur	1	1	30	SOLAREEDGE	[* * *]	02/08/2009	Dead			
MCI-MC-	Screw M3X	pur	10000	100	30	ALKA FASTERNERS LTD.	[* * *]	09/12/2009	Active	ALKA FASTENERS	[* * *]	

00099												LTD.	
MCI-MC-00099	Screw M3X	pur	10000	100	30	PALBOREG	[* * *]	09/12/2009	Active			ALKA FASTENERS LTD.	[* * *]
MCI-MC-00101	SE 5000 cc	pur	1	1	50	SOLAREEDGE	[* * *]	02/08/2009	Dead				
MCI-MC-00102	TIE FOR C	pur	1000	1000	60	KANG YANG HARDWARE ENTERPRISES	[* * *]	02/08/2009	Active			Customer cat no	[* * *]
MCI-MC-00104	Screw M4X	pur	10000	1000	30	ALKA FASTENERS LTD.	[* * *]	20/12/2009	Active			Customer cat no	[* * *]
MCI-MC-00105	Screw M5X	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	20/12/2009	Dead			ALKA FASTENERS LTD.	[* * *]
MCI-MC-00106	screw 14m	pur	10000	1	30	PALBOREG	[* * *]	02/08/2009	Dead			PALBOREG	[* * *]
MCI-MC-00108	M3 PCB m	pur	100000	50000	50	MAHAM FASTENERS	[* * *]	04/11/2009	Active			Customer cat no	[* * *]
MCI-MC-00118	Screw M5X	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	13/01/2010	Active			Customer cat no	[* * *]
MCI-MC-00119	Screw M4X	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	13/01/2010	Active			Customer cat no	[* * *]
MCI-MC-00120	Spacer Me	pur	1000	1000	30	SE-NET	[* * *]	25/01/2010	Active				
MCI-MC-00121	Spacer Me	pur	1	1	30	SE-NET	[* * *]	25/01/2010	Active				
MCI-MC-00122	Spacer Me	pur	1	1	30	SE-NET	[* * *]	25/01/2010	Active				
MCI-MC-00200	Screw M3X	pur	1	1	30	ALKA FASTENERS LTD.	[* * *]	27/01/2010	Active			Customer cat no	[* * *]
MCI-MC-00200	Screw M3X	pur	1	1	30	PALBOREG	[* * *]	12/10/2009	Active			Customer cat no	[* * *]
MCI-MC-00202	Washer Se	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	09/12/2009	Active			ALKA FASTENERS LTD.	[* * *]
MCI-MC-00203	Washer Se	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	09/12/2009	Active			ALKA FASTENERS LTD.	[* * *]
MCI-MC-00204	Washer Se	pur	1000	1000	30	ALKA FASTENERS LTD.	[* * *]	09/12/2009	Dead			Customer cat no	[* * *]
MCI-MC-00216	Ventilation	pur	1	1	50	BIMED	[* * *]	09/12/2009	Active			Customer cat no	[* * *]

MCI-SK-MC010	venus inve	pur	1	1	50	APPLETEC	[* * *]	12/11/2009	Active			Customer cat no	[* * *]
MCI-SK-MC010	venus inve	pur	1	1	50	SOLAREEDGE	[* * *]	02/08/2009	Active			Customer cat no	[* * *]
MCM-BR-00002	Bracket for	pur	1	1	50	SOLAREEDGE	[* * *]	12/10/2009	Dead			Customer cat no	[* * *]
MCM-BR-00003	Mount B	pur	1	1	50	LEV MATECHET	[* * *]	14/01/2010	Active				
MCM-BR-00004	Bracket for	pur	1	1	50	LEV MATECHET	[* * *]	03/12/2009	Dead				
MCM-CG-01000	M3 Cabl "	pur	1	1	60	YCI (YEONG CHWEN IND.)	[* * *]	12/10/2009	Active			Customer cat no	[* * *]
MCM-CI-00141	Cover Ada	pur	1	1	50	SE-NET	[* * *]	03/01/2010	Active				
MCM-CL-00002	Metal Grou	pur	1	1	50	SUKO	[* * *]	22/11/2009	Active			SUKO	[* * *]
MCM-EN-00002	Base Alum	pur	1	1	50	SOLAREEDGE	[* * *]	12/10/2009	Dead			Customer cat no	[* * *]
MCM-EN-00003	PC Enclos	pur	1	1	50	SOLAREEDGE	[* * *]	22/11/2009	Active			Customer cat no	[* * *]
MCM-EN-00003	PC Enclos	pur	1	1	50	TECHNOLOTUS LTD	[* * *]	08/12/2009	Active			Customer cat no	[* * *]
MCM-EN-00004	PC Cover l	pur	1	1	50	TECHNOLOTUS LTD	[* * *]	08/12/2009	Active			Customer cat no	[* * *]
MCM-MC-00001	SE5000 cc	pur	1	1	50	APPLETEC	[* * *]	03/09/2009	Active			Customer cat no	[* * *]
MCM-MC-00002	SE5000 H	pur	500	1	50	APPLETEC	[* * *]	03/09/2009	Active			Customer cat no	[* * *]
MCP-CL-00001	Clip PCB f	pur	1	1	50	SOLAREEDGE	[* * *]	12/10/2009	Dead			Customer cat no	[* * *]
MCP-EN-00001	Cover plas	pur	1	1	40	SOLAREEDGE	[* * *]	12/10/2009	Dead			Customer cat no	[* * *]
MCP-GL-02793	Glue Fast f	pur	1	1	30	LOCTITE	[* * *]	28/01/2010	Active				

MCP-GL-02793	Glue Fast f	pur	1	1	30	LOCTITE	[* * *]	05/01/2010	Active		
MCP-GL-02793	Glue Fast f	pur	1	1	30	LOCTITE	[* * *]	28/01/2010	Active		
MCP-GL-02793	Glue Fast f	pur	1	1	30	LOCTITE	[* * *]	05/01/2010	Active		
MCP-LB-00001	Lexan for I	pur	1	1	25	NORTEC	[* * *]	08/01/2010	Dead		
MCP-LB-00002	Lexan for I	pur	1	1	25	NORTEC	[* * *]	08/01/2010	Dead		
MCP-LB-00003	Lexan for I	pur	1	1	25	NORTEC	[* * *]	08/01/2010	Dead		
MCP-LB-00004	Lexan for I	pur	1	1	25	NORTEC	[* * *]	08/01/2010	Dead		
MCP-MC-00001	Plastic Fra	pur	1	1	40	TECHNOLOTUS LTD.	[* * *]	08/12/2009	Active	Customer cat no	[* * *]
MCP-MC-00002	Big Rubbe	pur	1	1	50	SUKO	[* * *]	22/11/2009	Active	SUKO	[* * *]
MCP-MC-00003	Small Rubb	pur	1	1	50	SUKO	[* * *]	22/11/2009	Active	SUKO	[* * *]
MCP-MC-00004	Mylar Disk	pur	50000	1000	50	SE-NET	[* * *]	03/01/2009	Active		
MCP-MC-00203	FR4 Insula	pur	1	1	40	ACCURATE PLASTICS	[* * *]	09/12/2009	Active	ACCURATE PLASTICS	[* * *]
MCP-MC-00205	Silicone Im	pur	1	1	30	SE-NET	[* * *]	25/01/2010	Active		
MCP-MC-BMB2S	Thread Blin	pur	300000	1	40	BIMED	[* * *]	03/12/2009	Active	BIMED	[* * *]
MCP-MC-BPM23	Protection	pur	1	1	40	BIMED	[* * *]	03/01/2010	Active	BIMED	[* * *]
MCP-MC-BPT21	Protection	pur	1	1	50	BIMED	[* * *]	22/11/2009	Active	Customer cat no	[* * *]
MCP-NM-00001	Nomex for	pur	10000	10000	50	DIGITAL-CUT O.R. 2002	[* * *]	10/11/2009	Active	DIGITAL-CUT O.R. 2002	[* * *]

MCP-NM-00001	Nomex for	pur	10000	10000	50	SOLAREEDGE	[* * *]	27/10/2009	Active	DIGITAL-CUT O.R. 2002	[* * *]
MCP-NM-00002	Nomex Isu	pur	10000	1	50	DIGITAL-CUT O.R. 2002	[* * *]	10/11/2009	Active	DIGITAL-CUT O.R. 2002	[* * *]
MCP-NM-00003	Nomex Isu	pur	10000	1000	50	DIGITAL-CUT O.R. 2002	[* * *]	22/11/2009	Active	DIGITAL-CUT O.R. 2002	[* * *]
MCP-SL-00001	O-Ring for	pur	1	1	50	GUMSPEED	[* * *]	12/10/2009	Dead	Customer cat no	[* * *]
MCP-SL-00002	O Ring for	pur	10000	1000	50	PARKET CHOMERICS	[* * *]	20/12/2009	Active	PARKER CHOMERICS	[* * *]
MCP-TP-00001	Thermal P	pur	10000	1	50	SHIN-ETSU CHEMICAL CO. LTD.	[* * *]	12/10/2009	Dead	Customer cat no	[* * *]
MCP-TP-00002	Thermal P	pur	20000	1000	30	DIGITAL-CUT O.R. 2002	[* * *]	05/01/2010	Active	Customer cat no	[* * *]
MCP-TP-00003	Thermal P	pur	500	100	30	DIGITAL-CUT O.R. 2002	[* * *]	22/11/2009	Active	DiGITAL-CUT O.R. 2002	[* * *]
MCS-CB-00012	Wire 12awc	pur	300	300	50	NET-AYA	[* * *]	18/11/2009	Active	NET-AYE	[* * *]
MCS-CB-12120	Cable #12	pur	1	1	60	LEONI	[* * *]	26/01/2010	Dead		
MCS-CG-03110	Conn 3x	pur	1380	1380	70	MOLEX	[* * *]	18/10/2009	Active	Customer cat no	[* * *]
MCS-CH-03210	Header Ma	pur	1	1	75	AMTEK	[* * *]	07/10/2009	Dead		
MCS-CH-05210	Header Ma	pur	1	1	75	AMTEK	[* * *]	07/10/2009	Dead	Customer cat no	[* * *]
MCS-CH-07210	Header Ma	pur	1	1	75	AMTEK	[* * *]	07/10/2009	Dead	Customer cat no	[* * *]
MCS-CH-12220	Header Fe	pur	2000	2000	70	AMTEK	[* * *]	03/11/2009	Active	Customer cat no	[* * *]
MCS-CH-12220	Header Fe	pur	2000	2000	70	COXOC	[* * *]	05/01/2010	Active	Customer cat no	[* * *]
MCS-CH-17210	Header Ma	pur	100	100	75	AMTEK	[* * *]	03/11/2009	Active	AMTEK	[* * *]

MCS-CH-17210	Header Me	pur	100	100	75	COXOC	[* * *]	05/01/2010	Active	AMTEK	[* * *]
MCS-CH-	Header SM	pur	100	100	75	AMTEK	[* * *]	03/11/2009	Active	AMTEK	[* * *]

17220												
MCS-CH-20220	Header SM	pur	100	100	75	AMTEK						
MCS-CN-00071	T*16 heade	pur	3000	1	70	AMTEK						
MCS-CN-00072	4x2 SMT h	pur	1000	100	70	AMTEK						
MCS-CN-00090	2*2 SMT h	pur	1000	100	70	AMTEK						
MCS-CN-00100	CONN SM	pur	1	1	70	AMTEK						
MCS-CN-00100	CONN SM	pur	1	1	70	NELTRON						
MCS-CN-00102	17*2 SMT	pur	1	1	75	AMTEK						
MCS-HS-MM010	Venus H	pur	1	1	50	SOLAREEDGE						
MCS-NC-00100	Fuse holde	pur	1	1	60	MULTICOMP						
ECS-DR-TE100	IC SMT TP	pur	1	1	60	STMICROELECTRONICS						
MCI-CN-00104	Cable conn	pur	1	1	60	AMTEK						
AP2004	Power boar	man	1	1	3							Dead
AP2015B	DC board	man	1	1	3							Dead
AP2016	LCD board	man	1	1	3							Dead
AP2005I	Digital boar	man	1	1	3							Dead
AS3011A	Skirt	man	1	1	3							Dead
AS3004	TOP	man	1	1	3							Dead
AP2015	DC board	man	1	1	3							Dead
46A-EL	ELECTRIC	man	1	1	3							Dead
AP1020E-DGVMP	Digital Boa	man	1	1	3							Dead
20E-EL	ELECTRIC	man	1	1	3							Dead
AS3011-MP	Skirt SE50	man	1	1	3							Dead

AP2015 CS	CS DRWI	man	1	1	3							Dead
AP1056A-GNT-M	GENT ELE	man	1	1	3							Dead
GENT	GENT	man	1	1	3							Dead
AP1044B-CS	CS DRAW	man	1	1	3							Dead
AP1044B-PS	PS DRAW	man	1	1	3							Dead
AP1020E-CS	CS DRAW	man	1	1	3							Dead
AP1020E-PS	PS DRAW	man	1	1	3							Dead
AP1044B-PRTMP	Portia LCD	man	1	1	3							Dead
P1044B-EL	ELECTRIC	man	1	1	3							Dead
AP1044B-INS	Assy instru	man	1	1	3							Dead
AP1026C-CS	CS DRAW	man	1	1	3							Dead
1026C-EL	ELECTRIC	man	1	1	3							Dead
AP1026C-INS	Assy instru	man	1	1	3							Dead
AP1026C-PVS-M	Power boa	man	1	1	3							Dead
AS9002-VNS-M	Assembly	man	1	1	3							Active
AS9002-INS	SE5000 as	man	1	1	3							Dead
AS3011-INS	SE5000 sk	man	1	1	3							Dead
AP1044B-FLOW	Routing ca	man	1	1	3							Dead
AP1020E-FLOW	Routing ca	man	1	1	3							Dead
AP1026C-FLOW	Routing ca	man	1	1	3							Dead
AS9002-FLOW	Routing ca	man	1	1	3							Dead
AP1056B-GNT	PCBA of G	man	1	1	3							Active
AP1020F-DGV	PCBA for	man	1	1	3							Active
AP1020F-CS	CS DWG	man	1	1	3							Dead
AP1020F-PS	PS DWG	man	1	1	3							Dead
AS9006-GT1	Power Box	man	1	1	3							Dead
AS9006-GT-INS	Assembly	man	1	1	3							Dead
AP1056B-CS	ASSEMBL	man	1	1	3							Dead

AP1056B-PS	ASSEMBL	man	1	1	3	Dead
AP1026E-PVS	PCBA for	man	1	1	3	Active
AP1056B-INS	Assy instru	man	1	1	3	Dead
AP1056B-ELEC	Elec Scher	man	1	1	3	Dead
AS9006GT1-FLO	Routing Ca	man	1	1	3	Dead
AP1026E-EL	ELECTRIC	man	1	1	3	Dead
AP1026E-INS	ASSY INS	man	1	1	3	Dead
AP1026E-CS	CS DRAW	man	1	1	3	Dead
AP1020F-INS	Assembly	man	1	1	3	Dead
AP1020F-ELE	ELECTRIC	man	1	1	3	Dead
AS9008-TAO-MP	Power Box	man	1	1	3	Active
AP1044C-PRT	PCBA of P	man	1	1	3	Active
AP1046B-DCP	DC Power	man	1	1	3	Active
AS3004-EUB	Inverter 1P	man	1	1	3	Active
AP1072A-VPR	Venus P	man	1	1	3	Active

AS3004-INS	Assembly	man	1	1	3	Dead
AS9008-INS	Assembly	man	1	1	3	Dead
AP1072A-INS	Assembly	man	1	1	3	Dead
D1072A-CS	CA ASSY	man	1	1	3	Dead
D1072A-ELC	ELECTRO	man	1	1	3	Dead
D1020F-ELEC	ELECTRIC	man	1	1	3	Dead
D1046B-CS	CS DRAW	man	1	1	3	Dead
D1046B-ELEC	ELECTRO	man	1	1	3	Dead
AP1046B-INS	ASSY INS	man	1	1	3	Dead
-D1044C-ELEC	ELECTRO	man	1	1	3	Dead
-D1044C-PS	PS DRW	man	1	1	3	Dead
-D1044C-CS	CS DRW	man	1	1	3	Dead
-AP1044C-INS	ASSY INS	man	1	1	3	Dead
-AP1056C-GNT	GENT	man	1	1	3	Active
S9007-TF-MP	Power-Box	man	1	1	3	Dead
P1056C-INS	ASSY INS	man	1	1	3	Dead
P1056C-ED	ELC DWG	man	1	1	3	Dead
11056C-CS	CS DRW	man	1	1	3	Dead
11056C-PS	PS DRW	man	1	1	3	Dead
MA	SOLARAD	man	1	1	3	Dead
CG-LB-00005	Product La	man	1	1	3	Active
CG-LB-00007	Certification	man	1	1	3	Active
50-AOB-4S3C	Power-Box	man	1	1	3	Active
CG-LB-00001	Product La	man	1	1	3	Active
CG-LB-00003	Certification	man	1	1	3	Active
BEE SOCKET	XBee Soch	man	1	1	3	Dead
E50000-EX-001	Inverter 1P	man	1	1	3	Active
S9009-TAO	Power-Box	man	1	1	3	Dead
50-AOB-TR3C	Power-Box	man	1	1	3	Dead

Sales Price : _____ NP _____ For [***] pcs _____ For [***] pcs _____ For [***] pcs

Material + MOH Cost : _____

BOM Raw Material \$ _____

MOH	Material Handling (including Freight income)	[* * *]	[* * *]	[* * *]	[* * *]
-----	--	-----------	-----------	-----------	-----------

al Manufacturing Cost :

PLC S	Sum of SMT Placements				
L1	Placements rate\$	[* * *]	[* * *]	[* * *]	[* * *]
PLCT	Sum of TH Placements	[* * *]	[* * *]	[* * *]	[* * *]
L1'	Placements rate\$	[* * *]	[* * *]	[* * *]	[* * *]
H	Manual work Standard time	[* * *]	[* * *]	[* * *]	[* * *]
L2	Hourly rate\$	[* * *]	[* * *]	[* * *]	[* * *]
H'	Testing Standard time	[* * *]	[* * *]	[* * *]	[* * *]
L2'	Hourly rate\$	[* * *]	[* * *]	[* * *]	[* * *]

SG&A & Profit

SG&A	Sales General & Admin	[* * *]	[* * *]	[* * *]	
P	Profit	[* * *]	[* * *]	[* * *]	

Parameters of the above formula are subject to increase as advised by Flextronics 30 days in advance if, in Flextronics good faith opinion, any of the following events occurs::

- Representative Dollar/NIS rate exceeds:
- Material adverse changes in market conditions (including but not limited to cost increases and/or shortage in raw materials, components, equipment, labor and taxes).
- Production is transferred wholly or partly abroad
- Shipment Terms other than EXW are requested.
- Work ordered by Customer necessitates employees overtime

venus

Type	[* * *]	[* * *]	[* * *]
Overhead	[* * *]	[* * *]	[* * *]
it	[* * *]	[* * *]	[* * *]
Assembly (\$/comp)* regular projects	[* * *]	[* * *]	[* * *]
Assembly (\$/comp)	[* * *]	[* * *]	[* * *]
Manual work (\$/hour)	[* * *]	[* * *]	[* * *]
assembly & packing (\$/hour}	[* * *]	[* * *]	[* * *]
Testing (\$/hour)	[* * *]	[* * *]	[* * *]
Rational testing (technician)	[* * *]	[* * *]	[* * *]
Rework (comp)	[* * *]	[* * *]	[* * *]
(comp)	[* * *]	[* * *]	[* * *]
SW Programming (per PCBA)	[* * *]	[* * *]	[* * *]
g probe (\$/hour) testing	[* * *]	[* * *]	[* * *]
Testing	[* * *]	[* * *]	[* * *]
(Per batch production) -NPI and major ECO's	[* * *]	[* * *]	[* * *]
Stencil (one side)(per Bare board	[* * *]	[* * *]	[* * *]
e for Stencil on regular production (per Bare board }	[* * *]	[* * *]	[* * *]
er Wave selective mask (minimum 4pcs)	[* * *]	[* * *]	[* * *]
software	[* * *]	[* * *]	[* * *]
software (according to the product)	[* * *]	[* * *]	[* * *]
(design for manufacturing) report	[* * *]	[* * *]	[* * *]
Report (Component and Failure Analysis Lab) report	TBD according to the requirements price list will provided separately		
support establishing and assimilation	TBD	TBD	TBD
Component Engineering	[* * *]	[* * *]	[* * *]
S (quality management system)- establishing and assimilation	[* * *]	[* * *]	[* * *]
S (quality management system)	[* * *] per station ([* * *] per hour new report development)		

cost provided separately	[* * *]	[* * *]	[* * *]
--------------------------	-----------	-----------	-----------

The above tariffs are effective for a period of 90 days and are further subject to changes as advised by Flextronics 30 days In advance if Flextronics considers in good faith that any of the following events occurs:

- 1 Representative Dollar/NIS rate exceeds:
- 2 Material adverse changes in market conditions (including but not limited to cost increases and/or shortage in raw materials, components, equipment, labor and taxes).
- 3 Production is transferred wholly or partly abroad
- 4 Shipment Terms other than EXW are requested.
- 5 Work ordered by Customer requires overtime

Sales Price =[* * *]

Total Material + MOH Cost :

BOM	Raw Material \$				
MOH	Material Handling (including Frighnt inco	[***]	[***]	[***]	[***]

Total Manufacturing Cost :

PLC S	Sum of SMT Placements				
L1	Placements rate\$	[***]	[***]	[***]	[***]
PLC T	Sum of TH Placements	[***]	[***]	[***]	[***]
L1'	Placements rate\$	[***]	[***]	[***]	[***]
H	Manual work Standard time	[***]	[***]	[***]	[***]
L2	Hourly rate\$	[***]	[***]	[***]	[***]
H'	Testing Standard time	[***]	[***]	[***]	[***]
L2'	Hourly rate\$	[***]	[***]	[***]	[***]

SG&A & Profit

SG&A	Sales General & Admin		[***]	[***]	[***]
P	Profit		[***]	[***]	[***]

I parameters of the above formula are subject to increase as advised by Flextronics 30 days in advance if, in Flextronics good faith opinion, any of the following events occurs:

- 1 Representative Dollar/NIS rate exceeds:
- 2 Material adverse changes in market conditions (including but not limited to cost increases and/or shortage in raw materials, components, equipment, labor and taxes).
- 3 Production is transferred wholly or partly abroad
- 4 Shipment Terms other than EXW are requested.
- 5 Work ordered by Customer necessitates employees overtime

mercury

Type		[***]	[***]	[***]
Overhead		[***]	[***]	[***]
it		[***]	[***]	[***]
Assembly (\$/comp)* regular projects		[***]	[***]	[***]
Assembly (\$/comp)		[***]	[***]	[***]
Manual work (\$/hour)		[***]	[***]	[***]
Batch. assembly & packing (\$/hour}		[***]	[***]	[***]
Testing (\$/hour)		[***]	[***]	[***]
Rational testing (technician)		[***]	[***]	[***]
Rework (comp)		[***]	[***]	[***]
(comp)		[***]	[***]	[***]
SW Programming (per PCBA)		[***]	[***]	[***]
g probe (\$/hour) testing		[***]	[***]	[***]
Testing		[***]	[***]	[***]
Comp (Per batch production) -NPI and major ECO's		[***]	[***]	[***]
Stencil (one side)(per Bare board)		[***]	[***]	[***]
e for Stencil on regular production (per Bare board }		[***]	[***]	[***]
an Wave selective mask (minimum 4pcs)		[***]	[***]	[***]
software		[***]	[***]	[***]
software (according to the product)		[***]	[***]	[***]
(design for manufacturing) report		[***]	[***]	[***]
Report (Component and Failure Analysis Lab) report		[***]	[***]	[***]
support establishing and assimilation		[***]	[***]	[***]
Component Eneengering		[***]	[***]	[***]
S (quality management system)- establishing and assimilation		[***]	[***]	[***]
S (quality management system)		[***]	[***]	[***]

[***] according to the requirements' price list will provided separately

[***] \$ per station ([***] per hour new report development)

cost provided separately	[***]	[***]	[***]
--------------------------	---------	---------	---------

The above taarifs are effective for a period of 90 days and are further subject to changes as advised by Flextronics 30 days in advance if Flextronics considers in good faith that any of the following events t

- 1 Representative Dollar/NIS rate exceeds:
- 2 Material adverse changes in market conditions (including but not limited to cost increases and/or shortage in raw materials, components, equipment, labor and taxes).
- 3 Production is transferred wholly or partly abroad
- 4 Shipment Terms other than EXW are requested.
- 5 work ordeed by Customer requires overtime

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (“NDA”) is made as of the _____ day of _____, 2010 by and between **SolarEdge Technologies Ltd.**, having its place of business at 1 Abba Eban Blvd., Herzliya, Israel (“**Customer**”), and **Flextronics (Israel) Ltd.**, having its place of business at Migdal-Haemek, P.O.B 867, Israel (“**Flextronics**”). (Customer and Flextronics shall be referred to hereinafter individually as a “**Party**” and collectively as the “**Parties**”).

In order to enable Flextronics to manufacture and deliver Products under the Manufacturing Service Agreement dated _____, 2010 and signed by the Parties (the “**Purpose**” and the “**Agreement**” accordingly), the Parties recognize that each Party (the “**Disclosing Party**”) may need to disclose to the other Party (the “**Receiving Party**”) certain Confidential Information (as herein after defined) to be used only for the Purpose.

All information and data exchanged between the Parties, written, verbally or in other media (provided verbal information shall be reduced within 60 days as of its delivery to writing), prior, during or after the Agreement, *inter alia* for the Purpose, including intellectual property, patents, trademarks, trade secrets, algorithms, customers lists, and any other material related to the manufacturing of the Products (as defined in the Agreement), which may have been exposed to the Receiving Party, in any form and shape, shall be deemed to be “**Confidential Information.**”

The Receiving Party will not disclose the Confidential Information, directly or indirectly, to any third party without the prior written consent of the Disclosing Party except in order to carry out the Purpose and provided that any such third party is bound by non-disclosure terms no less restrictive than those set out in this NDA. The Receiving Party may disclose the Confidential Information to its employees, consultants and other third parties, but only to the extent necessary to carry out the Purpose and provided that any such third party is bound by non-disclosure terms no less restrictive than those set out in this NDA.

Confidential Information disclosed pursuant to this NDA shall be maintained confidential during the term of the Agreement and for a period of [* * *] years after any expiration or termination of the Agreement.

All documents and other tangible objects containing or representing Confidential Information and all copies thereof will be and remain the exclusive property of the Disclosing Party. Nothing in this NDA is intended to grant any rights to either Party under any patent, copyright, or other intellectual property right of the other Party, nor will this NDA grant either Party any rights in or to the Confidential Information of the other Party, except as expressly set forth in the Agreement.

Confidential Information will not include: (1) Information that is now, or hereafter becomes, through no act of the Receiving Party, generally known or available to the public or otherwise generally known in the relevant industry; (2) Information that was rightfully acquired by the Receiving Party or was rightfully in the Receiving Party’s possession before receiving such Confidential Information from the Disclosing Party as reasonably demonstrated by the Receiving Party; (3) Information that was developed by the Receiving Party without any use of

the Confidential Information as reasonably demonstrated by the Receiving Party ; (4) Information that is furnished to the Receiving Party by a third party who has no obligation of confidentiality to the Disclosing Party with respect to such Confidential Information; and (5) Information that was disclosed with the prior written consent of the Disclosing Party.

A disclosure by a Receiving Party of Confidential Information that is: (1) In response to a valid order by a court or other governmental body; (2) Required by law; or (3) necessary to establish rights under the Agreement; shall not be considered to be a breach of this NDA by such Receiving Party; provided that in all such cases, the Party making disclosure shall (i) promptly notify the other Party of such disclosure obligation and (ii) use reasonable commercial efforts to obtain confidential treatment of any information so disclosed at the cost and expense of the Disclosing Party.

Upon the Disclosing Party’s written request, the Receiving Party will return to the Disclosing Party all of the Confidential Information and all copies thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers or representatives.

SolarEdge Technologies	Flextronics (Israel) Ltd.
Signature: _____	Signature: _____
Title : _____	Title: _____
Date : _____	Date: _____

Schedule 1.4

- Purchasing
- Planning
- Components WH & Stock management
- PCB assembly
- Quality check and assurance
- Conformal coating
- Testing
- Mechanical assembly
- Finish goods WH & Stock management
- Failed units investigation and repair

INTERIM AGREEMENT

Effective as of April 7, 2013

SolarEdge Technologies, Ltd.

Att.: Guy Sella, CEO
6 Haharash st., Hod Hasharon
Israel

Dear Guy,

We appreciate very much your choice of Flextronics Industrial Ltd., having its place of business at Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius ("Flextronics") as manufacturing partner of SolarEdge Technologies, Ltd., having its place of business at 6 Haharash st., Hod Hasharon, Israel (formerly 1 Abba Eban Blvd., Herzliya, Israel) ("Customer" or "You"). We look forward to completing an amendment to the manufacturing services agreement signed between You and Flextronics (Israel) Ltd and dated February 14, 2010 ("MSA"), which will obligate Flextronics Industrial Ltd. and SolarEdge Technologies, Ltd., within the next few months and which will describe in more detail the structure and terms that will govern our relationship. We understand, however, that the negotiation of such an MSA amendment might take some time, and that market pressures require that we begin purchasing components, parts and raw material (collectively "Materials") and commence other preproduction activities immediately. Under these circumstances we are willing to start purchasing Materials and production preparation activities, based on the terms herein, all in an effort to cover the exposure and liabilities related to the purchase of Materials approved by you for WIP and finished goods, incurred on your behalf as we initiate the launch of this project. Further, as you know, we have agreed with Flextronics Israel that we will coordinate directly with them for the transfer of Materials and all production means (training, tooling, test equipment, etc.) from Flextronics Israel to our manufacturing facility. Customer shall pay at agreed then-current rates (i) for New Product Introduction ("NPI") output and (ii) for NRE cost related to NPI activities, including travel, tools and trainings, based on Attachment A of this Interim Agreement. For the avoidance of doubt, Flextronics shall provide a full list of estimated expenses before any costs are incurred. No costs shall be incurred unless the Customer agrees to such costs upfront and in writing. We will coordinate with Flextronics Israel so that you will be charged only once for material overhead of all Materials and production that is moved from Israel to Zalaegerszeg, Hungary.

You have asked us to, among other things, procure Materials, and manufacture, assemble, test, inspect, configure and ship the certain products (the "Products") at prices upon which we have agreed (the "Prices"). The Products and Prices which are based on an initial bill of Materials ("BOM") provided by you are listed in Attachment B. We understand that this BOM is subject to change but that the model set forth therein for pricing shall bind us. We also understand that in the event that we or You negotiate improved pricing on Materials you will benefit from this (i.e. PPV). In addition, the model takes into account that you will purchase portions of the Materials (the "Buy Sell Materials") and we will take them on consignment. Payment for any Buy Sell Materials may only be recovered from Flextronics (or any of its assignees) by way of set off, if and when available to You from time to time. Prices are in U.S. Dollars, and are subject to change on thirty (30) calendar days' notice. Prices are based on (i) the specifications provided to Flextronics, (ii) the projected volumes and run rates and other assumptions set forth in Flextronics's quotation (assumptions based on the times provided by Customer to Flextronics, provided that Flextronics shall endeavour to reach such manufacturing times within six (6) months from the beginning of manufacturing at its premises located in Zalaegerszeg, Hungary, (iii) shipment FCA

(Incoterms 2010) on Carrier Truck at Zrinyi u. 38., H-8900 Zalaegerszeg, Hungary; and (v) the exchange rates in effect at the time of quotation. Prices specifically exclude export licensing of the Product; payment of broker's fees, duties, tariffs or other similar charges; taxes (other than those based on the net income of Flextronics) Payment terms are net forty-five (45) calendar days after the date of the invoice, and any late payment is subject to a one and one-half percent (1.5%) per month interest rate charge. All Products shipped FCA (Incoterms 2010) on Carrier Truck at Zrinyi u. 38., H-8900 Zalaegerszeg, Hungary, will be invoiced by Flextronics with 0% VAT, in accordance with the regulations applicable to intra-community supplies, provided that (i) Customer indicates Flextronics a valid EU VAT number, that is validated in VIES, and/ or (ii) Customer ensures that Customer's carrier provides Flextronics with a separate signed and stamped CMR for each shipment within seven (7) calendar days from the receipt of Products by Customer at Flextronics's facility of manufacture. Flextronics will have the right to issue a new invoice for the delivered Products including Hungarian VAT in case Flextronics is not provided with a separate signed and stamped CMR for the shipment of the respective Products within seven (7) calendar days from the receipt of Products by Customer at Flextronics's facility of manufacture.

Flextronics warrants (i) that it will manufacture the Products in accordance with IPC-A 610 Class 2 workmanship standard and Class 3 for pre-classified SMT.TH solder joints, as well as the following Customer requirements: 1. SMT component misalignment on Off Pad <50% 2. TH component solder fill-up >75% and (ii) that the Products will conform, in all material respects, to the written Specifications. The "Specifications" for each Product or revision thereof, shall include, but shall not be limited to BOM, designs, schematics, assembly drawings, process documentation, test specifications, current revision number, and approved vendor list. The above warranty shall remain in effect for a period of [***] from the date any Product is initially delivered to Customer ("Warranty Period").

This express limited warranty does not apply to (a) Customer tooling (b) Materials and/or Customer controlled Materials and/or Customer supplied inventory and/or consigned Materials to Flextronics; (c) defects resulting from Customer's Specifications or the design of the Products; and (d) Product that has been abused, damaged, altered or misused by any person or entity after title passes to Customer. With respect to NPI services, first articles, prototypes, pre-production units, test units or other similar Products, Flextronics makes no representations or warranties whatsoever. Notwithstanding anything else in this Interim Agreement or otherwise, Flextronics assumes no liability for or obligation related to the performance accuracy of the Specifications or defects of or due to tooling, designs or instructions produced or supplied by Customer and Customer shall be liable for all costs and/or expenses incurred by Flextronics related thereto.

Upon any failure of a Product to comply with the above warranty, Flextronics's sole obligation, and Customer's sole remedy, is for Flextronics, at its option, to promptly repair or replace such unit and return it to Customer, freight from point of original delivery to be paid by Flextronics within fourteen (14) working days from the date of the completion of a failure report by the Customer. Customer shall return Products covered by the warranty after completing a failure report and obtaining a return material authorization number from Flextronics to be displayed on the shipping container.

Customer shall bear all risks, costs and expenses, associated with Products that have been returned to Flextronics not covered under the warranty above. Customer will provide its own warranties directly to any of its end users or other third parties. Customer will not pass through to end users or other third parties the warranties made by Flextronics under this Interim Agreement. Furthermore, Customer will not make any representations to end users or other third parties on behalf of Flextronics, and Customer will not pass on any rights out of this Interim Agreement to its customers.

EXCEPT AS SPECIFICALLY SET FORTH HEREIN, FLEXTRONICS MAKES NO OTHER WARRANTIES OR CONDITIONS ON THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR

IN ANY OTHER PROVISION OF THIS INTERIM AGREEMENT OR COMMUNICATION WITH CUSTOMER, AND FLEXTRONICS SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

In addition, Flextronics shall endeavor to obtain and pass through to Customer the following warranties with regard to the Materials described in the BOM for the Product (other than the Production Materials): (i) conformance of such Materials with the vendor's specifications and/or with the Specifications; (ii) that such Materials will be free from defects in workmanship; (iii) that such Materials will comply with Environmental Regulations; and (iv) that such Materials will not infringe the intellectual property rights of third parties.

Flextronics shall provide Customer full traceability on Product serial numbers, Material vendor lot numbers for Materials described in the BOM for the Product, and Material date codes for Materials described in the BOM for the Product as well as the Materials manufacturer lot number/date code and vice versa, from Materials manufacturer, SMT, TH, Mechanical and electronics parts lot number/date code to product S/N incorporated into the shop floor data system and Engineering Change Orders ("ECOs").

The parties will negotiate a section regarding repetitive failure rates for Products.

Customer shall issue a six (6) month rolling forecast on a monthly basis ("**Forecast**") for the Product. Customer authorizes Flextronics to procure the quantity and type of Materials necessary to manufacture the quantities of Product set forth in the Forecast (including long-lead and minimum order quantities for Materials ordered to Forecast) up to an amount not to exceed [***] per line item in accordance with industry standard practices (taking into account Materials lead times and manufacturing lead times) ("**Standard Practices**"), and agrees to be financially responsible for all Material ordered in accordance with such Standard Practices. In addition to the foregoing, Customer shall also be financially responsible for all Materials ordered by Flextronics with Customer's written authorization, whether such order(s) occurred prior to or after the date hereof.

Purchases of Products by you shall be based on build authorizations ("**BA**") which shall serve as purchase orders. Flextronics has the right to confirm or reject all BAs within two (2) working days if and only if the production quantities therein reflect deviations from the Forecast and Flexibility Table. BAs are made up of actual customer orders of yours and additional spare which You may order. BAs will be provided by you to us on a weekly basis and will include a build schedule/order for four weeks forward.

You may (i) increase the quantity of Products or (ii) reschedule the quantity of Products and their shipment date as provided in the flexibility table below (the "**Flexibility Table**"):

Maximum Allowable Variance From Forecast or Accepted BAs Quantities/Shipment Dates

# of calendar days before Shipment Date on Forecast or BA	Allowable Quantity Increases	Maximum Reschedule Quantity	Maximum Reschedule Period
[* * *]	[* * *]	[* * *]	[* * *]
[* * *]	[* * *]	[* * *]	[* * *]
[* * *]	[* * *]	[* * *]	[* * *]
[* * *]	[* * *]	[* * *]	[* * *]

* increase to be confirmed by Flextronics no later than [* * *] business days

Any decrease in quantity is considered a cancellation, unless the decreased quantity is for up to [* * *] of an order in which case the decrease shall be accepted so long as the reschedule is within [* * *] calendar days of the original delivery time.

Prior to invoicing the Customer, Flextronics will use reasonable commercial efforts to return unused Materials and to cancel pending orders for such Materials, and to otherwise mitigate the amounts payable by Customer.

Notwithstanding anything else in this Interim Agreement, Customer shall be responsible for the following:

- **Excess inventory** — means inventory minus demand for the next [* * *] > 0 (zero) — Customer shall be responsible for Materials that have [* * *] calendar days or more from arrival date to Flextronics's premises located in Zalaegerszeg, Hungary, and for Products that have been authorized to be produced under a BA and did not ship for more than seven (7) calendar days due to the request of Customer .
- **Liability for Excess inventory - Raw Material**
 - In the first week of the then-current month, Flextronics will release a report for Materials that have [* * *] calendar days or more from arrival date to Flextronics's premises located in Zalaegerszeg, Hungary, regardless of whether there is demand for such Materials or not.
 - Customer shall pay Flextronics in advance the cost of the Materials including VAT detailed above ("**E1**"), by the [* * *] of the then-current quarter without mark-up.
 - In the following [* * *], Flextronics will send new reports for excess material ("**E2**").
 - If E2>E1, Customer will pay [* * *] the difference of (E2-E1) including VAT. The payment shall be due by the end of the then-actual [* * *].
 - If E2=E1, Customer will not pay anything
 - If E2<E1, Customer shall issue an invoice for the difference of (E1-E2) including VAT.
- **Liability for Excess inventories — Sub Assembly and Products**
 - Flextronics shall consume the WIP in FIFO method.

- On the first week of the current month, Flextronics will issue a report of all Products and WIP. The report will reflect the inventory as of the last day of the then-previous [* * *].
- This report will be the PRODUCT EXCESS report (“P1”).
- Customer shall pay [* * *], the cost of P1 including VAT by the end of the [* * *] of the then-current [* * *].
- In the following [* * *] Flextronics will send a new PRODUCT EXCESS report (“P2”)
- If $P2 > P1$, Customer will pay [* * *], the difference of $(P2 - P1)$. The payment shall be due by the end of the then-actual [* * *].
- If $P2 = P1$, Customer will not pay anything
- If $P2 < P1$, Customer shall issue an invoice for the difference of $(P1 - P2)$ including VAT.

Total Liability

Customer will refer to E and P together, meaning:

- If $E2 + P2 > E1 + P1$, Customer will pay [* * *] the difference including VAT.
- If $E2 + P2 = E1 + P1$, Customer will not pay anything

4

- If $E2 + P2 < E1 + P1$, Customer shall issue an invoice for the difference including VAT.

(i) **Obsolete Inventory.** The Obsolete Inventory shall mean any inventory that is any of the following: (a) removed from the bill of material for a Product by an engineering change; (b) no longer on an active BOM for any of Customer’s Products; or (c) on-hand inventory that are not required for consumption to satisfy the next [* * *] calendar days of accepted demand for Products under the then-current Order(s) and Forecast. At the end of every calendar [* * *], Flextronics shall report the Obsolete Inventory. After a validation period, which shall not exceed [* * *] calendar days, Customer shall purchase the Obsolete Inventory at a price equal to the Affected Inventory Cost. The **Affected Inventory Cost** shall mean: (i) [* * *] of the cost of all affected inventory in Flextronics’s possession and not returnable to the vendor or reasonably usable for other customers, whether in raw form or work in process, less the salvage value thereof, and any material overhead (ii) [* * *] of the cost of all affected Inventory on order and not cancelable, (iii) any vendor cancellation charges incurred with respect to the affected inventory accepted for cancellation or return by the vendor, (iv) the then current fees for any affected Product.

(ii) **Aged Inventory.** The Aged Inventory shall mean any inventory for which there has been zero or insignificant consumption for such Inventory over the past [* * *], which includes any particular item that Flextronics has had on hand for more than [* * *]. At the end of every calendar month, Flextronics shall report the Aged Inventory. After validation, which shall not exceed [* * *], Customer shall purchase the Aged Inventory at a price equal to the Affected Inventory Cost.

Notwithstanding the foregoing, all amounts payable for Excess Inventory, Obsolete Inventory and Aged Inventory shall be due [* * *] following the date of an invoice.

All shipments shall be made FCA (Incoterms 2010) on Carrier Truck at Zrinyi u. 38., H-8900 Zalaegerszeg, Hungary, and title and risk of loss shall pass to Customer upon delivery to the carrier. Customer shall be the importer and exporter of record for all Product shipments, and agrees to comply with all applicable export laws (including all laws limiting Customer’s right to re-export the Products).

Customer shall have [* * *] days following actual receipt of the Products, not including shipping time, to accept the Products and ensure that they conform in all material respects, to the Specifications; any Products not rejected within such period shall be deemed accepted, and all returns shall be handled in accordance with the warranty.

Customer agrees to defend, indemnify and hold harmless, Flextronics and its affiliates, and all directors, officers, employees and agents (each, a “**Flextronics Indemnitee**”) from and against all claims, actions, losses, expenses, damages or other liabilities, including reasonable attorneys’ fees (collectively, “**Damages**”) incurred by or assessed against any of the foregoing to the extent the same arise out of, are in connection with, are caused by or are related to third-party claims relating to: (a) any failure of any Product (and Materials contained therein) sold by Flextronics hereunder to comply with any safety standards and/or environmental regulations to the extent that such failure has not been caused by Flextronics’s breach of its express limited warranties; and (b) any actual or threatened injury or damage to any person or property caused, or alleged to be caused, by a Product, but only to the extent such injury or damage has not been caused by Flextronics’s breach of its express limited warranties related to Flextronics’s workmanship and manufacture in accordance with the Specifications.

Flextronics agrees to defend, indemnify and hold harmless, Customer and all directors, officers, employees, and agents (each, a “**Customer Indemnitee**”) from and against all Damages incurred by or assessed against any of the foregoing, but solely to the extent the same arise out of third-party claims relating to: (a) any actual or threatened injury or damage to any person or property caused, or alleged to

5

be caused, by a Product sold by Flextronics to Customer hereunder, but solely to the extent such injury or damage has been caused by the breach by Flextronics of its express limited warranties related to Flextronics’s workmanship and manufacture in accordance with the Specifications; or (b) noncompliance with any environmental regulations but solely to the extent that such non-compliance is caused by a process or Production Materials that Flextronics uses to manufacture the Products.

“**Production Materials**” shall mean Materials that are consumed in the production processes to manufacture Products including without limitation, solder, epoxy, cleaner solvent, labels, flux, and glue. Production Materials do not include any such production materials that have been specified by the Customer or any Customer Controlled Materials.

Customer shall defend, indemnify and hold harmless Flextronics from all claims, liabilities, costs, damages, judgments and attorney’s fees resulting from or arising out of any alleged and/or actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights related to the Product or third party claims relating to Customer’s instructions, tooling, Specifications and designs (“**Claims**”) provided that: (i) Flextronics will provide the Customer with prompt written notice of any Claim no later than three (3) business days following receipt of notice by Flextronics; (ii) Flextronics will grant Customer sole control of the defense and settlement of Claims, taking into account any reasonable request of Flextronics; provided that in case such settlement materially affects Flextronics’s business, such settlement shall be subject to Flextronics’s prior written approval; (iii) Flextronics will provide Customer with reasonable assistance, at Customer’s sole expense. and (iv) Customer assumes no

liability for any Claims to the extent that such Claims result from the use by Flextronics of specifications other than the Specifications or from a material breach by Flextronics of the non-exclusive, non-transferable license to use the Customer's patents, trade secrets, as well as other intellectual property, including the Specifications and any other relevant documentation and files, which breach was notified to Flextronics in writing and it has failed to cure same within fifteen (15) calendar days of such notification. If such Claim is brought, or Customer in good faith determines a Claim is likely to be made, Customer shall notify Flextronics and either: (a) procure for Flextronics the right to continue to perform this Interim Agreement; (b) modify the Specification so that there will no longer be an infringement or misappropriation or (c) terminate this Interim Agreement and pay Flextronics the consideration due under this Interim Agreement for the Work performed until the date of termination, including all payments set forth in this Interim Agreement.

Flextronics shall defend, indemnify and hold harmless Customer from all claims, liabilities, costs, damages, judgments and attorney's fees resulting from or arising out of any alleged and/or actual infringement or other violation of any patents, patent rights, trademarks, trademark rights, trade names, trade name rights, copyrights, trade secrets, proprietary rights and processes or other such rights as a result of workmanship and manufacturing methods employed by Flextronics, but excluding Claims as defined above ("**Manufacturing Claims**"); provided that: (i) Customer will provide Flextronics with prompt written notice of any Manufacturing Claim no later than three (3) business days following receipt of notice thereof by Customer; (ii) Customer will grant Flextronics sole control of the defense and settlement of Manufacturing Claims, taking into account any reasonable request of Customer; provided that in case such settlement materially affects Customer's intellectual property rights, such settlement shall be subject to Customer's prior written approval; and (iii) Customer will provide Flextronics with reasonable assistance, at Flextronics's sole expense. If a Manufacturing Claim is brought, or Flextronics in good faith determines a Manufacturing Claim is likely to be made, Flextronics shall notify Customer and either: (a) procure for Customer the right to continue to perform this Interim Agreement; or (b) modify its manufacturing methods so that there will no longer be an infringement or misappropriation or (c) terminate this Interim Agreement; provided however, that where Flextronics exercises its right to terminate, Flextronics shall, in good faith, provide a minimal period of time, not to exceed [* * *], during which Customer could reasonably be expected to establish alternate manufacturing arrangements

6

(the "**Transition Period**"), and shall notify Customer in writing accordingly. For the avoidance of doubt, during the Transition Period, the parties shall continue to perform their respective obligations pursuant to this Interim Agreement. Notwithstanding the foregoing, Customer shall have the right, no later than seven (7) calendar days from said notice date, to request the managing partners of the auditors of Flextronics and Customer to jointly nominate an expert they deem qualified for the following purposes as soon as possible (the "**Expert**"). The Expert shall have the power and authority, following discussions with both parties, to extend (up to 180 calendar days as aforesaid) or shorten the Transition Period if he considers the period provided by Flextronics to be unreasonable. The Expert shall also have the power and authority to determine which of the parties or both shall bear the cost of the process. The Expert shall be required to determine the length of the Transition Period within ten (10) calendar days from the date he accepts the nomination. The Expert shall deliver a written resolution setting forth his reasoning. Such resolution shall be final, conclusive and non-appealable.

EXCEPT WITH RESPECT TO A BREACH OF EITHER PARTY'S OBLIGATION TO INDEMNIFY THE OTHER PARTY PURSUANT TO THIS INTERIM AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY "COVER" DAMAGES (INCLUDING INTERNAL COVER DAMAGES WHICH THE PARTIES AGREE MAY NOT BE CONSIDERED "DIRECT" DAMAGES), INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF THIS INTERIM AGREEMENT OR THE SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS INTERIM AGREEMENT FALL SHORT OF THEIR ESSENTIAL PURPOSE.

THE FOREGOING STATES THE ENTIRE LIABILITY OF THE PARTIES TO EACH OTHER CONCERNING INFRINGEMENT OF PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS

Either party may terminate this Interim Agreement and the MSA and the services hereunder and thereunder for convenience upon [* * *]written notice to the other party. For the avoidance of doubt the parties (and Flextronics (Israel) Ltd.) agree that (i) Flextronics Industrial Ltd. (or the entity that this Interim Agreement is assigned to) and Flextronics (Israel) Ltd. can only terminate both this Interim Agreement and the MSA together towards SolarEdge Technologies, Ltd., and (ii) SolarEdge Technologies, Ltd., may only terminate this Interim Agreement and the MSA together towards both Flextronics Industrial Ltd. (or the entity that this Interim Agreement is assigned to) and Flextronics (Israel) Ltd.. This paragraph shall also serve as an amendment of Section 9.2(a) of the MSA. i.e. the MSA (together with this Interim Agreement) may be terminated upon [* * *] prior written notice. Flextronics (Israel) Ltd. signs this Interim Agreement to express its consent to this paragraph. Notwithstanding the foregoing, Flextronics may terminate this Interim Agreement if Customer is late with payment and such default continues unremedied for [* * *]from the receipt of written notice of termination thereof sent by Flextronics. Any clause contained herein which would be expected to survive termination shall survive.

This Interim Agreement and its attachments make up the entire agreement between Customer and Flextronics and supersede prior agreements and discussions, except for any related written agreements concerning confidentiality. Both parties expressly reject any pre-printed terms and conditions of any Order, acknowledgment or any other form or document of either party and any other terms which alter the terms hereof. The terms hereof may be amended only by a writing executed by authorized representatives of both parties. This Interim Agreement will not be assigned by either party without the other party's prior written consent, provided, however, that Customer understands that Flextronics will engage related legal entities ("**Affiliates**") to perform all or part of the services contemplated in this Interim Agreement

7

and that Flextronics may assign, convey or otherwise transfer its rights and obligations under this Interim Agreement, in whole or in part, to any of its Affiliates.

This Interim Agreement shall be governed by and interpreted in accordance with the laws of the state of California. Any dispute, claim or controversy arising from or related in any way to this Interim Agreement or the interpretation, application, breach, termination or validity thereof, including without limitation any claim of inducement of this Interim Agreement by fraud will be submitted for resolution by binding arbitration in accordance with the Comprehensive Arbitration Rules & Procedures of JAMS. The arbitration will be held in Santa Clara County, California and it shall be conducted in the English language. Judgment on any award in arbitration may be entered in any court of competent jurisdiction. Notwithstanding the above, each party shall have recourse to any court of competent jurisdiction to enforce claims for injunctive and other equitable relief. IN THE EVENT OF ANY DISPUTE BETWEEN THE PARTIES, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE OR ARBITRATOR WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

We look forward to working with You. Please sign below to indicate your acceptance and agreement to the above terms and conditions.

[**][**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	As per the discussion between Agota and Udy these will be transferred from IL subject to condition and size
[**][**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	[**]	As per the discussion between Agota and Udy these will be transferred from IL subject to condition and size

NRE overview: INVERTER TLA

all costs are in USD

volume [***]pcs/year/family

Products	qty	JUPITER AND VENUS COMMON		
			Total: [***]/year	
Screw Drivers	[***]		[***]	should be provided by SE FOC
B1-HASS installation and assembly materials	[***]		[***]	should be defined later based on the final set of equipments
Optic fiber line installation	[***]		[***]	
Port-a-Digital standoll assembly tool	[***]		[***]	tools to assembly the products needs to be checked if can be transferred form IL
Assembly check gauges	[***]		[***]	to check screws and stand off's assembly
Storing boxes magazines	[***]		[***]	
Inverter moving trolley system for FG packing	[***]		[***]	The cost is [***]but it will be transferred from IL.
Total			[***]	

NRE related to NPI rates

NRE overview: Related to NPI rates for [***] units NP1 build and [***] units made in EU content

Description	number of	cost in USD:
SMT placement [***]	[***]	[***]
TH placement rate [***]	[***]	[***]
Labor hourly rate [***]	[***]	[***]
Testing hourly rate [***](ICT, EOL, FT). Burn-In and HASS not included	[***]	[***]
made in EU build [***] units (assembly and test)	[***]	[***]
Travelling and accommodation cost ([***] times [***] people including daily allowance)		[***]
TOTAL		[***]



List of items charged on top of product cost

- SE sees the following expenses covered in the product cost:
 - BOM is 'clean', i.e representing landed cost, all costs are covered by freight-in
 - SMT related — masks, S/W, setup
 - Standard consumables — degreasing and coating material, solder paste
 - General OH requests due to overtime invested in peaks
 - Non-compliance to specific work station times should be closed quarterly in PL (for better and worse)
 - Technician costs for debug and repair
 - RM storage
 - Fulfillment activities
- SE will pay for:
 - ICT — SW NRE and test boards
 - Special jigs improving throughput
 - Unique consumables — potting material (inside the BOM) or other
 - SE machinery maintenance
 - Special requests for overtime and/or weekend shifts
 - NPI

- Pallets and related shipping material

BOM landed	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Scrap/Reject/Consumables	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Material Management Costs	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Costs of Material	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Direct Labor Assy	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Process cost of customization to be charged separately)	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Machine costs	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Costs of Labor	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Manufacturing OH	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
SG&A	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Warranty	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Profit & Financing	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Estimated Price ExWorks (incl.BOM)*	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

Consigned Material Value	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Estimated Value of Product*	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Theoretical AV%	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

Original price — turnkey [* * *] [* * *]

Original Price — Consigned 50% deviation [* * *] [* * *]

Original VAM — turnkey [* * *] [* * *] [* * *] [* * *]
Original VAM — Consigned 50% deviation [* * *] [* * *] [* * *] [* * *]

*this is just a very rough estimation and not an official offer from Flextronics Inc.

JABIL

MANUFACTURING SERVICES AGREEMENT

between

JABIL CIRCUIT, INC.

and

SOLAREEDGE TECHNOLOGIES, INC.

INDEX

1.	DEFINITIONS	1
2.	SCOPE OF AGREEMENT	3
	2.1 LIST OF SCHEDULES	4
3.	BUILD SCHEDULE FORECASTS AND PURCHASE ORDERS	4
4.	MANUFACTURING SERVICES	4
	4.1 TESTING	4
	4.2 PACKAGING AND SHIPPING	4
	4.3 ORIGIN CERTIFICATION; MARKING	5
	4.4 ITEMS TO BE SUPPLIED BY COMPANY	5
	4.5 ITEMS TO BE SUPPLIED BY JABIL	5
	4.6 COMPANY INSPECTION	5
	4.7 MATERIALS PROCUREMENT	5
	4.8 MATERIALS DECLARATION	5
	4.9 PRODUCT EVALUATION	6
5.	WARRANTY & REMEDY	6
	5.1 JABIL WARRANTY	6
	5.2 REPETITIVE FAILURE	7
	5.3 ECO UPGRADE	7
	5.4 LIMITATION OF WARRANTY	7
6.	LIMITATION OF DAMAGES	8
7.	DELIVERY, RISK OF LOSS AND PAYMENT TERMS	8
	7.1 PAYMENT	9
	7.2 COST REDUCTION	9
	7.3 TAXES	10
	7.4 MOST FAVORED PRICING	10
	7.5 PRICE AUDIT	10
	7.6 JOINT BUSINESS REVIEWS	10
	7.7 PARTS	10
	7.8 EOL COMPONENTS	10
8.	IMPORT AND EXPORT	10
9.	DESIGN OR REPAIR SERVICES; US GOVERNMENT CONTRACTS	11
10.	CHANGE ORDERS, RESCHEDULING AND CANCELLATION	11
	10.1 CHANGES TO MANUFACTURING SERVICES, PACKAGING AND SHIPPING SPECIFICATIONS AND TEST PROCEDURES	11
	10.2 PRODUCTION INCREASES	11
	10.3 PRODUCT CONFIGURATION CHANGES AND ENGINEERING CHANGES	11
	10.4 TREATMENT OF OBSOLETE/END-OF-LIFE MATERIAL	11
	10.5 RESCHEDULED DELIVERY AND CANCELLATION OF ORDERS	12
	10.6 TERMINATION CHARGES	12
	10.7 DUTY TO MITIGATE COSTS	12
11.	TERM	12

12.	TERMINATION	12
12.1	TERMINATION FOR CONVENIENCE	13
12.2	TERMINATION FOR CAUSE	13
12.3	TERMINATION FOR BANKRUPTCY/INSOLVENCY	13
12.4	TERMINATION CONSEQUENCES	13
13.	CONFIDENTIALITY	13
13.1	CONFIDENTIALITY OBLIGATIONS	13
13.2	EMPLOYEES, AGENTS AND REPRESENTATIVES	14
13.3	TERM AND ENFORCEMENT	14
13.4	RETURN OF PROPRIETARY INFORMATION AND TECHNOLOGY	14
14.	INTELLECTUAL PROPERTY RIGHTS; ASSIGNMENT	14
14.1	JABIL BACKGROUND INTELLECTUAL PROPERTY	14
14.2	JABIL CREATED INTELLECTUAL PROPERTY	14
15.	RESERVED	14
16.	WARRANTY AND INDEMNIFICATION	14
16.1	COMPANY INDEMNIFICATION	14
16.2	JABIL INDEMNIFICATION	15
17.	RELATIONSHIP OF PARTIES	15
18.	INSURANCE	15
19.	PUBLICITY	15
20.	FORCE MAJEURE	15
21.	MISCELLANEOUS	16
21.1	NOTICES	16
21.2	ATTORNEYS' FEES AND COSTS	16
21.3	AMENDMENT	16
21.4	PARTIAL INVALIDITY	17
21.5	MONIES	17
21.6	ENTIRE AGREEMENT	17
21.7	BINDING EFFECT	17
21.8	WAIVER	17
21.9	CAPTIONS	17
21.10	CONSTRUCTION	17
21.11	SECTION REFERENCES	17
21.12	BUSINESS DAY	17
21.13	DISPUTE RESOLUTION	17
21.14	OTHER DOCUMENTS	18
21.15	COUNTERPARTS	18
21.16	GOVERNING LAW AND JURISDICTION	19

SCHEDULES:

SCHEDULE 1 – STATEMENT OF WORK

SCHEDULE 2 – CURRENCY POLICY

SCHEDULE 3 – PRICING

MANUFACTURING SERVICES AGREEMENT

This Manufacturing Agreement (“Agreement”) is entered into by and between Jabil Circuit, Inc., a Delaware corporation (“Jabil”), having offices at 10560 Dr. M.L. King Jr. Street North St. Petersburg, Florida 33716, on behalf of Jabil and its Subsidiaries, and SolarEdge Technologies, Inc., a Delaware corporation (“Company”), having its principal place of business at 6 HeHarash St. P.O. Box 7349, Neve Neeman, Hod Hasharon 45240, Israel

Jabil and Company are referred to herein as “Party” or “Parties”.

RECITALS

- A.** Jabil is in the business of designing, developing, manufacturing, testing, configuring, assembling, packaging and shipping electronic assemblies and systems.
- B.** Company is in the business of designing, developing, distributing, marketing and selling products containing electronic assemblies and systems.
- C.** Whereas, the Parties desire that Jabil manufacture, test, configure, assemble, package and/or ship certain electronic assemblies and systems pursuant to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. **Definitions.** In addition to terms defined elsewhere in this Agreement, the capitalized terms set forth below shall have the following meaning:

1.1 **“Additional Services”** means services such as design for manufacturability, manufacturing design test support, computer assisted design for manufacturability, test development services, volume production and advanced packaging technologies all (if applicable) as specified in a Custom Services Statement of Work attached as a Schedule to this Agreement.

1.2 **“Affiliate”** means with respect to a Person, any other Person which directly or indirectly controls, or is controlled by, or is under common control with, the specified Person or an officer, director or 10% or more shareholder of the specified Person. For the purposes of this definition, “control” shall mean the direct or indirect ownership of fifty (50) percent or more of the shares or interests which are entitled to vote for the directors of an entity or the equivalent, for as long as such entitlement subsists, or which mean equivalent power over management of an entity.

1.3 **“Build Schedule” or “Purchase Order”** means a manufacturing schedule provided to Jabil by Company in writing which specifies the Product to be manufactured, including the quantity of each Product, its description and part number, shipping instructions and requested delivery date.

1.4 **“Build Schedule Forecast”** means the monthly forecast provided to Jabil by Company, in writing, of quantity requirements of each Product that Company anticipates requiring during the next [* * *] period.

1.5 **“Commercially Reasonable Efforts”** means those efforts that would be deemed both commercially practicable and reasonably financially prudent after having taken into account all relevant commercial considerations. “Relevant commercial considerations” shall be deemed to include, without limitation, (1) all

Manufacturing Services Agreement

1

pertinent facts and circumstances; (2) financial costs; (3) resource availability and impact; and (4) probability of success.

1.6 **“Components Supplied by Company”** means those components or materials that Company provides, directly or indirectly, to Jabil to be incorporated into the Product.

1.7 **“EDI”** shall mean electronic data interchange.

1.8 **“Effective Date”** shall mean the date upon which the terms and conditions of this Agreement shall become effective by and between the Parties. The Parties have agreed that the Effective Date of this Agreement shall be **June 9th, 2011** or if no date is entered here, the last date of signature.

1.9 **“Fee and Price Schedule”** shall mean the prices and fees set forth Schedule I.

1.10 **“FOB”** shall mean the shipper must at its own expense and risk transport the goods to the place of destination as defined in Incoterms 2010.

1.11 **“including”** shall be defined to have the meaning “including, without limitation.”

1.12 **“in writing”** shall mean written documents, EDI with phone confirmation, verified faxes and successfully transmitted e-mails.

1.13 **“Jabil Circuit, Inc.” and “Jabil”** shall be defined to include any Jabil Subsidiary.

1.14 **“Jabil Created Intellectual Property”** means any discoveries, inventions, technical information, procedures, manufacturing or other processes, software, firmware, technology, know-how or other intellectual property rights newly created or developed, and reduced to practice by or for Jabil in performing the Manufacturing Services; but shall not include any Jabil Background Intellectual Property.

1.15 **“Jabil Background Intellectual Property”** means any discoveries, inventions, technical information, procedures, manufacturing or other processes, software, firmware, technology, know-how or other intellectual property rights owned or developed by Jabil outside of this Agreement or owned or controlled by Jabil prior to the execution of this Agreement that are used by Jabil in the Manufacturing Services.

1.16 **“Jabil Intellectual Property”** shall mean both Jabil Created Intellectual Property and Jabil Background Intellectual Property, collectively.

1.17 **“Jabil Manufacturing Process”** means Jabil’s process employed to manufacture, test, configure and assemble Product manufactured for Company pursuant to the terms of this Agreement.

1.18 **“Lead-time”** means the mutually agreed upon minimum amount of time in advance of shipment that Jabil must receive a Purchase Order in order to deliver Product by the requested delivery date.

1.19 **“Loaned Equipment”** means capital equipment (including tools) which is loaned to Jabil by or on behalf of Company to be used by Jabil to perform the Manufacturing Services and includes all equipment, tools and fixtures purchased specifically for Company, by Jabil, to perform the Manufacturing Services and that are paid for in full by Company.

1.20 **“Manufacturing Services”** means the services performed by Jabil hereunder which shall include but not be limited to manufacturing, testing, configuring, assembling, packaging and/or shipping of the Product, including any Additional Services, all in accordance with the Specifications.

1.21 **“Materials Declaration Requirements”** means any requirements, obligations, standards, duties or responsibilities pursuant to any environmental, product composition and/or materials declaration laws, directives,

or regulations, including international laws and treaties regarding such subject matter; and any regulations, interpretive guidance or enforcement policies related to any of the foregoing, including for example: Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment (“RoHS”), Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment (“WEEE”), and European Union Member State implementations of the foregoing; the People’s Republic of China (PRC) Measures for the Administration of the Control of Pollution by Electronic Information Products promulgated on February 28, 2006 (including any pre-market certification (“CCC mark”) requirements thereunder and including relevant standards adopted by the PRC Ministry of Information Industry or other applicable PRC authority); PRC General Administration of Quality Supervision, Inspection and Quarantine’s Circular 441 (2006); Japanese Industrial Standard C0950:2005; the California Electronic Waste Recycling Act of 2003; and/or other similar legislation.

1.22 “NRE Costs” shall consist of the design engineering services, testing, fixturing, and tooling expenses set forth on the Statement of Work for the applicable Product(s), attached as Schedule 1.

1.23 “Packaging and Shipping Specifications” means the packaging and shipping specifications set forth in Schedule I and otherwise supplied and/or approved by Company.

1.24 “Person” means any corporation, business entity, natural person, firm, joint venture, limited or general partnership, limited liability entity, limited liability partnership, trust, unincorporated organization, association, government, or any department or agency of any government.

1.25 “Product(s)” means the product(s) manufactured and assembled by Jabil on behalf of Company under this Agreement as identified in Schedule 1 (or any subsequent Schedule 1 prepared for any product to be manufactured hereunder) including any updates, renewals, modifications or amendments thereto.

1.26 “Proprietary Information and Technology” means software, firmware, hardware, technology and know-how and other proprietary information or intellectual property embodied therein that is known, owned or licensed by and proprietary to either Party and not generally available to the public, including plans, analyses, trade secrets, patent rights, copyrights, trademarks, inventions, fees and pricing information, operating procedures, procedure manuals, processes, methods, computer applications, programs and designs, and any processed or collected data. The failure to label any of the foregoing as “confidential” or “proprietary” shall not mean it is not Proprietary Information and Technology.

1.27 “Specifications” means the technical specifications for manufacturing set forth in Schedule 1 and otherwise supplied and/or approved by Company. Specifications may be amended from time to time by amendments in the form of written engineering change orders agreed to by the Parties.

1.28 “SOW” means the statement of work for each Product set forth in any Schedule 1 as amended in writing from time to time upon mutual agreement of the Parties.

1.29 “Subsidiary(ies)” means any corporation, partnership, joint venture, limited liability entity, trust, association or other business entity of which a Party or one or more of its Subsidiaries, owns or controls more than 50% of the voting power for the election of directors, managers, partners, trustees or similar parties.

1.30 “Test Procedures” means the testing specifications, standards, procedures and parameters set forth in Schedule 2 as may be amended in writing from time to time.

1.31 “Unique Components” means those non-standard components or materials procured exclusively for incorporation into the Product whose purchase and contract terms are set forth by Company.

2. Scope of Agreement. Subject to the terms and conditions in this Agreement, Jabil agrees to procure certain components, manufacture, assemble and test the Products, and sell the same to Company in

accordance with the terms hereof. The Products shall be designed as set forth in the SOW and any additional SOW’s which may be added to this Agreement. The services to be performed by Jabil under this Agreement may not be subcontracted by Jabil to any other third party, unless Company agrees to any such subcontracting in writing and in advance.

2.1 List of Schedules. This Agreement includes the following Schedules for each Product to be manufactured hereunder, which are hereby incorporated herein and made a part of this Agreement:

Schedule 1 - Statement of Work
 Schedule 2 - Currency Policy
 Schedule 3 - Pricing

3. Build Schedule Forecasts and Purchase Orders. Within ten (10) business days following the execution of this Agreement, Company shall provide Jabil with a Build Schedule Forecast. The Build Schedule Forecast shall be updated by Company, in writing, on a monthly basis and delivered to Jabil no later than the 7th day of the month preceding the forecast period. To place orders for Products, Company will submit Purchase Orders to Jabil stating the quantity of Product(s), the part number(s) the price(s) (in accordance with the then-current Schedule 3), the delivery date(s), and delivery location(s) and shipping instructions as set forth in Schedule 1. Purchase Orders will be Company’s commitment to purchase the Products, subject to Company’s rights to cancel or reschedule set forth in Section 10.5. For Purchase Orders exceeding the parameters of the Build Schedule Forecast (including the flexibility schedule therein) and Production Increases. Jabil will use commercially reasonable efforts to accept the Purchase Order by issuing a written order confirmation within three days of receipt of the Purchase Order. Any rescheduling or cancellation of the orders set forth in a Build Schedule Forecast or Purchase Order shall be subject to the terms set forth in Section 10.5. All Purchase Orders will be governed by the terms and conditions of this Agreement. Unless expressly stipulated otherwise, in writing executed by the Parties pre-printed language on each Party’s forms, including purchase orders, shall not constitute part of this Agreement and shall be deemed unenforceable.

4. **Manufacturing Services.** Jabil will manufacture the Products in accordance with the Specifications and any applicable Purchase Orders submitted by Company in accordance with Section 4. Jabil will acknowledge receipt of each Purchase Order that is submitted in accordance with the terms of this Agreement by notifying Company of its acceptance within three (3) business days of receipt of any proposed Purchase Order. In the event of Jabil's rejection of a proposed Purchase Order, Jabil's notice of rejection will specify the basis for such rejection, which shall in no way detract from Jabil's responsibility for the undertakings herein. Notwithstanding the above, in the event that the rejection shall be caused by a delay in Component Supplied or controlled by Company, Jabil will have the ability to reject or reschedule the related Purchase Order in order to accommodate the delay. When requested by Company, and subject to appropriate fee and cost adjustments which shall be approved in writing by the Company, Jabil will provide Additional Services for Background or future Product manufactured by Jabil. Company shall be solely responsible for the sufficiency and adequacy of the Specifications and shall hold Jabil harmless for any claim arising therefrom.

4.1 **Testing.** Jabil will test the Product in accordance with the Test Procedures. Company shall be solely responsible for the sufficiency and adequacy of the Test Procedures and shall hold Jabil harmless for any claim arising there from. For each Product, the Company shall supply Jabil with a relevant tester, fixture and burn-in stations for all heating elements (the "Test Equipment"). Jabil shall, at its own cost, be solely responsible for maintenance and insurance of the Test Equipment and manufacturing additional fixtures and burn in stations, on an as needed basis and at all of the production or hub facilities where the Test Equipment is needed.

4.2 **Packaging and Shipping.** Jabil shall properly package, handle and pack all Products so as to protect the Products from loss or damage, in conformance with Company's packaging specification of Products as agreed by between the parties (provided that, for the avoidance of doubt, Jabil shall be liable for the packaging carton or pallet, which shall not be part of the specification of Products and which will be the sole responsibility of Jabil). The packaging carton or pallet of Products shall be labeled with details such as ship to address, code

4

numbers and packing list, as well as other labels which may be required by Company from time to time. Special static protection must be provided by Jabil for Products requiring such packaging. Products shall be boxed, carted and stored in a manner that: (a) ensures undamaged and safe arrival at their ultimate destination, and (b) complies with requirements of modes of air and ground transports. Jabil shall be responsible for any loss or damage solely due to Jabil's failure to properly preserve, package and handle the Products comply with the agreed upon packaging specifications or Jabil's obligations under this section.

4.3 **Origin Certification; Marking.** Upon Company request, Jabil will provide Company with an appropriate certificate stating the country of origin for the Products. Jabil shall also mark each Product, or the container if there is no room on the Product, with the country of origin in compliance with customs requirements.

4.4 **Items to be Supplied by Company.** Company shall supply to Jabil, according to the terms and conditions specified herein, Company Proprietary Information and Technology and, if applicable, the Loaned Equipment, Components Supplied by Company and Unique Components necessary for Jabil to perform the Manufacturing Services. Company will also provide to Jabil all Specifications, Test Procedures, Packaging and Shipping Specifications, Product design drawings, approved vendor listings, material component descriptions (including approved substitutions), manufacturing process requirements, and any other specifications necessary for Jabil to perform the Manufacturing Services. Company shall be solely responsible for delay in delivery, defects and enforcement of warranties related to the Loaned Equipment, Components Supplied by Company and Unique Components and shall hold Jabil harmless for any claim arising there from, so long as Jabil has made good faith attempt to mitigate any such delays, defects and enforcement of warranties including but not limited to providing Company reasonable advance written notice. Jabil shall be responsible to store the Loaned Equipment, Components Supplied by Company and Unique Components in a separate storage space in a reasonable manner that provides adequate protection for the equipment and components and any intellectual property embedded therein.

4.5 **Items to be Supplied by Jabil.** Jabil will employ the Jabil Manufacturing Process, any required manufacturing technology, manufacturing capacity, labor, transportation logistics, systems and facilities necessary for Jabil to perform the Manufacturing Services.

4.6 **Company Inspection.** Company shall have the right, upon reasonable advance notice, during normal business hours and at its expense to inspect, review, monitor and oversee the Manufacturing Services, provided that such inspection shall not disrupt Jabil's normal business operations. Company shall cause each of its employees, agents and representatives who have access to Jabil's facilities, to maintain, preserve and protect all Proprietary Information and Technology of Jabil and the confidential or proprietary information and technology of Jabil's other customers. In addition, upon prior written request by Company and the approval of Jabil (such approval not to be unreasonably withheld), Company's customers may inspect the Products and associated manufacturing processes at Jabil's plants. Inspections shall be conducted upon reasonable advanced notice and at a reasonable time and during normal hours of operation.

4.7 **Materials Procurement.** Jabil will use Commercially Reasonable Efforts to procure components, per Company's approved vendor list, necessary to fulfill Purchase Orders. For the avoidance of doubt, Jabil does not warrant components and materials, but will pass through any contractual component/material warranties it receives, to the extent permitted by the component and/or material supplier. Jabil will provide Company with a list of the components /material where warranty conditions from suppliers are below 24 months. For Components supplied by Company, Company shall assist Jabil with managing the performance of and enforcing warranties of such suppliers. Company shall be listed on the AVL for Components Supplied by Company.

4.8 **Materials Declaration.** Company represents that the Product is subject to Materials Declaration Requirements. Jabil will use Commercially Reasonable Efforts to assist Company in procuring parts, components and/or materials that are compliant with Materials Declaration Requirements. Jabil shall use Commercially Reasonable Efforts to collect documentation from suppliers certifying compliance with Materials Declaration Requirements with respect to its components, parts or materials, the form of which has been provided, or approved in writing, by Company ("Compliance Certification") and make such Compliance Certification available to Company. In the event any supplier does not provide such Compliance Certification, Jabil shall notify Company and cooperate with Company to remove such supplier from the AVL or take such other action which the parties

5

mutually agree upon in writing. In the event that supplier fails to provide Compliance Certification and Company still chooses to accept components or materials from such supplier, Jabil shall bear no responsibility or liability for the lack of such Compliance Certification. However, Company understands and agrees that

4.8.1 Company is responsible for notifying Jabil in writing of the specific Materials Declaration Requirements that Company determines to be applicable to the Product and shall be solely liable for the adequacy and sufficiency of such determination and information;

4.8.2 Any information regarding Materials Declaration Requirements compliance of parts, components, packaging or materials used in the Products shall come from the relevant supplier. Jabil does not test, certify or otherwise warrant component, part, packaging or materials compliance, on a homogenous material level or any other level, with Materials Declaration Requirements; and

4.8.3 Company is ultimately and solely responsible for ensuring that any parts, components or materials used in the Products, and the Product itself, are compliant with applicable Materials Declaration Requirements.

Notwithstanding any other provision set forth in this Agreement, including amendments, attachments, or any other document incorporated herein, this Section 4.8 and Section 4.10 herein set forth Jabil's sole responsibility and liability and Company's entire remedy from Jabil with respect to Materials Declaration Requirements and any third party claims against Company related to the Materials Declaration Requirements, and that absent this provision, Jabil would not enter this Agreement.

4.9 Product Evaluation. Company shall evaluate each Product to determine if it conforms, in all material respects, to the Specifications. Company shall give Jabil written notice of any rejection of a Product within thirty (30) days following Company's actual receipt of such Product not including shipping time (if applicable) ("Evaluation Period"). Such written notice of rejection of a Product for failure to materially conform to the Specifications shall include a detailed and complete description of Company's basis for asserting that the Product does not materially conform to the Specifications ("Specification Notice"). If Company fails to provide such Specification Notice to Jabil within the Evaluation Period, such Product shall be deemed to comply with the Specifications. If Jabil disputes the basis for rejection set forth in a Specification Notice, it shall provide written notice of the same to Company within ten (10) business days following receipt of the Specification Notice ("Notice of Disputed Defect"). Any such dispute shall be resolved by the Parties in accordance with the provisions of Section 21.13. If Jabil does not dispute the basis for rejection set forth in a Specification Notice Jabil shall follow its standard return process as set forth in Section 5.2 herein. The evaluation procedures set forth in this Section 4.9 shall apply to any redelivered Product.

a) For materials added by Jabil as part of the manufacturing process (e.g., glue and solder paste), Jabil will supply a certificate that the materials are in compliance with Materials Declaration Requirements and the manufacturer will be added to the AVL.

5. **Warranty & Remedy**

5.1 Jabil Warranty. Jabil warrants (i) that it will manufacture the Product in accordance with IPC-A 610 Class 2 workmanship standard, and (ii) that at the time of manufacture the Product will conform, in all material respects, to the Specifications. The above warranty shall remain in effect for a period of [* * *] from the date any Product is initially delivered to Company or to Company's designated carrier ("Warranty Period"). This warranty is extended to, and may only be enforced by, Company.

b) Upon any failure of a Product based on a claim of breach of the warranty set forth in this Section 5, Company shall complete a failure report and request an RMA number from Jabil, and upon confirming an authorized return, Jabil shall promptly repair or replace such unit and return it to Company freight from point of original delivery to be paid by Jabil. Jabil will analyze any such RMA Product and, if a breach of warranty is found ("Defect"), then Jabil will repair or replace the RMA Product within twenty (20) business days of receipt by Jabil of the RMA Product and all required associated documentation. If no such Defect is found, Company shall reimburse

6

Jabil for all fees, costs and expenses incurred to analyze and, if requested by Company, repair or replace the non-Defective RMA Product and Company shall bear responsibility for all transportation costs to and from Jabil's designated repair facility.

c) Notwithstanding the foregoing, where such Products consist of "[* * *]", Jabil shall not repair the power boxes returned but same shall be replaced with new [* * *] supplied by Company, and Company shall be credited at the end of each quarter for the price of each [* * *] returned during the quarter and found defective under Warranty up to a total number of [* * *] that is equal to [* * *] the [* * *] delivered by Jabil to Company during the last [* * *] quarters, less the amount of [* * *] replaced as aforesaid during such period. Where such Products consist of "[* * *]", Jabil shall repair or replace such [* * *] as aforesaid, using its best Reasonable Commercial Efforts to do so within 15 working days of receipt of the [* * *] by Jabil. Jabil shall prepare a failure report with respect to the failure of such Products for submission to Company. Company shall bear all risks, costs and expenses, associated with Products that have been returned to Jabil not covered under the warranty above. Company will provide its own warranties directly to any of its end users or other third parties. Company will not pass through to end users or other third parties the warranties made by Jabil under this Agreement.

5.2 Repetitive Failure. A "Repetitive Failure" shall mean the repeat of the same failure of a Product not caused by normal wear and tear and which is present in at least [* * *] (with a minimum of [* * *] failures) of consecutively delivered Products over a rolling 90 day period of time and which failure has the same root cause due solely to a defect caused by Jabil's workmanship.

5.2.1 In the event of a Repetitive Failure during the Product Warranty period or an extended period of 12 months extended beyond the warranty period, either Party will inform the other Party as soon as possible about the event. Jabil shall immediately propose a containment action plan and, as soon thereafter as reasonably possible, a corrective action plan to Company. Jabil will implement the proposed corrective action plan promptly upon acceptance by Company. The Products repaired or replaced as a result of a Repetitive Failure will be free from Defects for a period of twelve (12) months from redelivery date, or to the end of the Product Warranty period applicable to such Products, whichever is longer.

5.2.2 If it is reasonably determined, based on mutually agreed root cause analysis, that the cause of the Repetitive Failure is defect caused by Jabil's workmanship, then the following costs and expenses incurred by Company as a direct result of the Repetitive Failure shall be borne solely by Jabil: (i) costs of transport between the Jabil facility and Company's facility; (ii) costs to re-inspect 100% of the rejected lots of batches/sorting costs; (iii) costs of repair in Company's production line; and (iv) costs to repair or replace the Product. If it is reasonably determined, based on a root cause analysis, that Company is partly at fault for such Repetitive Failure, the Parties agree to work together in good faith to determine an equitable allocation of costs and expenses. If it is reasonably determined, based on the root cause analysis, that Company is fully at fault, the costs and expenses of the Repetitive Failure shall be borne solely by Company.

5.3 ECO Upgrade: Company may request, in writing, that Jabil incorporate engineering changes into the Product. Such request will include a description of the proposed engineering changes sufficient to permit Jabil to accurately evaluate its feasibility and cost. Jabil shall endeavor to respond to Company's request in writing, within 3 working days of notification and shall state the costs and time of implementation and the impact on the delivery schedule, materials inventory, materials on order and pricing of the Product. Pricing for any ECO shall be based on the guidelines set forth in Schedule 1. Jabil will not be obligated to proceed with the engineering changes until the Parties have agreed upon the changes to the Product's Specifications, delivery schedule and Product

pricing and the Company has issued a Purchase Order for the implementation costs to be borne by the Company and the Cost of Inventory and Special Inventory on-hand and on-order that becomes obsolete in connection therewith.

5.4 Limitation of Warranty. THE REMEDY SET FORTH IN SECTION 5.2 SHALL CONSTITUTE COMPANY'S SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE WARRANTY MADE BY JABIL HEREIN. THE WARRANTY SET FORTH IN THIS SECTION 5 IS IN LIEU OF, AND JABIL EXPRESSLY DISCLAIMS, AND COMPANY EXPRESSLY WAIVES, ALL OTHER WARRANTIES WHATSOEVER WHETHER EXPRESS, IMPLIED, STATUTORY, ARISING BY COURSE OF DEALING OR

7

PERFORMANCE, CUSTOM, USAGE IN THE TRADE OR OTHERWISE, INCLUDING COMPLIANCE WITH MATERIALS DECLARATION REQUIREMENTS, ANY WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR INFRINGEMENT OR MISAPPROPRIATION OF ANY RIGHT, TITLE OR INTEREST OF COMPANY OR ANY THIRD PARTY. COMPANY UNDERSTANDS AND AGREES THAT IT SHALL HAVE FULL AND EXCLUSIVE LIABILITY WITH RESPECT TO ANY PRODUCT, WHETHER FOR PRODUCT DESIGN LIABILITY, PRODUCT LIABILITY, DAMAGE TO PERSON OR PROPERTY AND/OR INFRINGEMENT OR MISAPPROPRIATION OF THIRD PARTY RIGHTS. NO ORAL OR WRITTEN STATEMENT OR REPRESENTATION BY JABIL, ITS AGENTS OR EMPLOYEES SHALL CONSTITUTE OR CREATE A WARRANTY OR EXPAND THE SCOPE OF ANY WARRANTY HEREUNDER.

JABIL'S WARRANTY SHALL NOT APPLY TO ANY PRODUCT JABIL DETERMINES TO HAVE BEEN SUBJECTED TO TESTING FOR OTHER THAN SPECIFIED ELECTRICAL CHARACTERISTICS OR TO OPERATING AND/OR ENVIRONMENTAL CONDITIONS IN EXCESS OF THE MAXIMUM VALUES ESTABLISHED IN APPLICABLE SPECIFICATIONS, OR TO HAVE BEEN THE SUBJECT OF MISHANDLING, ACCIDENT, MISUSE, NEGLIGENCE, IMPROPER TESTING, IMPROPER OR UNAUTHORIZED REPAIR, ALTERATION, DAMAGE, ASSEMBLY, PROCESSING OR ANY OTHER INAPPROPRIATE OR UNAUTHORIZED ACTION OR INACTION 'THAT' ALTERS PHYSICAL OR ELECTRICAL PROPERTIES. THIS WARRANTY SHALL NOT APPLY TO ANY DEFECT IN THE PRODUCT ARISING FROM ANY DRAWING, DESIGN, SPECIFICATION, PROCESS, TESTING OR OTHER PROCEDURE, ADJUSTMENT OR MODIFICATION SUPPLIED AND/OR REQUIRED BY COMPANY.

6. Limitation of Damages

EXCEPT WITH REGARD TO ANY LIABILITY THAT ARISES FROM A PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT OR SECTION 13 ("CONFIDENTIALITY"), UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY OTHER PERSON OR ENTITY UNDER ANY CONTRACT, TORT, STRICT LIABILITY, NEGLIGENCE, OR OTHER LEGAL OR EQUITABLE CLAIM OR THEORY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOODWILL OR BUSINESS PROFITS, LOST REVENUE, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, OR FOR ANY AND ALL OTHER DAMAGES, LOSS, OR EXEMPLARY OR PUNITIVE DAMAGES WHETHER SUCH PARTY WAS INFORMED OR WAS AWARE OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE FOREGOING SHALL NOT EXCLUDE OR LIMIT EITHER PARTY'S LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM ITS NEGLIGENCE TO THE EXTENT THAT SUCH LIABILITY CANNOT BY LAW BE LIMITED OR EXCLUDED.

EXCEPT WITH REGARD TO A BREACH OF SECTION 13 ("CONFIDENTIALITY") UNDER NO CIRCUMSTANCES SHALL JABIL LIABILITY DURING THE TERM OF THIS AGREEMENT EXCEED THE GREATER OF [* * *] OR [* * *] FOR THE LIFE OF THE AGREEMENT.

NOTWITHSTANDING THE FOREGOING, JABIL'S MAXIMUM AGGREGATE OBLIGATION TO COMPANY DURING THE TERM OF THIS AGREEMENT UNDER SECTION 16.2 FOR THE DEFENSE, INDEMNIFICATION AND ANY ADDITIONAL REMEDIES PROVIDED FOR SHALL NOT EXCEED THE GREATER OF [* * *] OR [* * *]

7. Delivery, Risk of Loss and Payment Terms. For purposes of this Agreement delivery shall be Ex Works (Incoterms 2010) Jabil's facility (Packaging material not included; packaging labor included in price) and deemed to have occurred, and all risk of loss shall be transferred to Company, when Product (or any other items) are tendered to the carrier approved by Company, unless the Purchase Order specifies alternate delivery destinations. If the Purchase Order specifies alternate delivery destinations, any additional costs shall be as set forth in the mechanism determined in the Logistics Schedule unless the delivery destination or terms of delivery are not specified therein, in which case the Company and Jabil shall discuss and agree on the related costs within three Business Days of Jabil's confirmation of receipt of the Purchase Order. The Fee and Price Schedule will be reviewed by the Parties on a quarterly basis and will be revised

8

consistent with increases or decreases in materials, components, equipment and other costs and expenses applicable to the manufacture of the Product according to the methodology in Schedule 3. For any shipments where Jabil acts as an agent in completing the Shipper's Export Declaration and managing Company's exports on behalf of Company, where the Company is the exporter of record (Principal Party in Interest — PPI), the Company hereby grants Jabil Power of Attorney to act on its behalf in managing its exports.

7.1 Payment. Company shall pay Jabil all undisputed amounts when due, including all NRE Costs associated with this Agreement. Payment of all invoices shall be net [* * *] days from date of invoice. Payment to Jabil shall be in U.S. dollars and in immediately available funds. In the event any amounts are invoiced or paid in a different currency, the process in Schedule 2 "Currency Policy" will apply. Company hereby unconditionally guarantees the payment by any of its wholly owned subsidiaries who place orders under this Agreement to Jabil. Any equipment, tooling, component, material or other goods or property, which is purchased by Jabil in order to perform its obligations under this Agreement, shall become the property of Company once Jabil is reimbursed for all NRE Costs. Jabil shall invoice Company for actual outstanding NRE Costs and other monies due at monthly intervals (or such other intervals as deemed appropriate provided however, that any intervals that are less than on a monthly basis shall require the written consent of the Company) during the term of this Agreement and upon termination of this Agreement. Jabil agrees to request advance written approval from Company should resource requirements, and thereby NRE Costs, increase materially relative to estimated NRE Costs initially agreed by the Parties. Upon such request, Jabil shall provide to Company reasonably detailed supporting documentation and/or descriptions of the NRE Costs for which Jabil seeks reimbursement. Jabil shall provide Company with a line of credit according to the terms set forth in Schedule 1.

7.2 Cost Reduction: COMPANY and JABIL will mutually work to improve selling price of the Products. JABIL will submit to COMPANY the performance improvement plan (the "Performance Improvement Plan" or "PIP") which will be negotiated in good faith on a quarterly basis and managed and

implemented by the operational team. The Performance Improvement Plan will address pricing, capacity, inventory levels and lead time, delivery and flexibility, quality and service level issues (such as but not limited to NPI and repair).

7.2.1 It is agreed that, as part of the Performance Improvement Plan:

7.2.1.1 JABIL and COMPANY shall ensure that the material costs for the Products be constantly decreasing. Each Party respectively acknowledges that such decrease is in their mutual interest and that it is the Parties intention to seek price reductions of [* * *] per Quarter.

7.2.1.2 Jabil shall ensure that the labour and overhead cost for the Products be constantly decreasing as Product volumes increase and Product complexity (part number) decrease. Each Party respectively acknowledges that such decrease is in each Party's best interests.

7.2.2 **Pricing.** Jabil's price for the Products shall be as agreed upon by the Parties in Schedule 3 which may be amended by the Parties in writing from time to time to accommodate for new Products. Quarterly prices for Company Products shall be calculated as follows: one week before the beginning of each calendar quarter, based on the six month forecast submitted at that date, Company and Jabil will calculate the annual production run rate as follows: [* * *] month forecast times two. The result of the calculation will be applied to the pricing model attached as Schedule 3 hereto, taking into consideration (1) the varying cost of the BOM (2) the varying number of components in the Products; and (3) measure cycle times. It is agreed that the SMT, TII and labor rates in the model are indicative and can divert in [* * *] of the measures provided in Schedule 3. If the general cost base (direct labor and indirect labor rates, taxes or other items out of Jabil's direct control) changes as the result of regulatory changes in the country of manufacturing more than +5% on a quarterly base, Jabil reserves the rights to adjust the relative rates into the model.

9

7.3 **Taxes.** Company shall be responsible for all federal, foreign, state and local sales, use, excise and other taxes (except taxes based on Jabil's income), all delivery, shipping, and transportation charges and all foreign agent or brokerage fees, document fees, custom charges and duties. In the event that the Company is required by any applicable law to withhold taxes from payments made to Jabil, Company shall withhold such amount, promptly remit to the applicable authorities, and promptly provide Jabil with original tax receipts and any other documentation evidencing such remittance enabling Jabil to claim such withheld amounts from the appropriate tax authorities.

7.4 **Most Favored Pricing.** Jabil agrees that Prices for components on Company's Bill of Materials shall be priced no greater than the price paid by any other customer of Jabil for the same or substantially similar items where the items are purchased in same or substantially similar volumes, within same geographic region, under substantially similar terms and conditions.

7.5 **Price Audit.** Upon prior written notice and within the period that the Company purchases respective Products from Jabil under this Agreement and 6 months after Jabil does not purchase anymore the respective Products, Company's independent third party accounting firm retained by Company and mutually agreed by Jabil and Company, may inspect Jabil's relevant data to confirm Jabil's compliance with Section 7.2 and the accuracy of the computation of "cost" pursuant to Schedule 3. The audit shall not be performed more than once per year and shall cover the previous 12 month period from date said audit is requested in writing. The costs associated with such audit shall be borne by Company unless an audit reveals the discrepancy of a more than [* * *] of the Total Price of the BOM under section 7.2 and in accordance with Schedule 3. Further, audits shall be conducted at a reasonable time and during normal hours of operation. The Auditors will be subject to all confidentiality under this Agreement and may not disclose to Company the information disclosed by Jabil as part of the audit and may only provide to Company the aggregate dollar outcome of the audit. If the audit reveals that Jabil has not complied with the terms of Sections 7.2.2 and 7.4 and there has been an overcharge to Company, then Jabil shall pay such overcharge to Company, within no later than 30 days.

7.6 **Joint Business Reviews.** The Parties hereby create a committee known as the Business Review Committee ("BRC") to oversee the Manufacturing Services by Jabil to Company. Each Party shall nominate one member to the BRC. The BRC shall conduct meetings at least monthly at sites designated by the BRC. In addition to regular meetings, either Party may schedule a special BRC meeting upon prior written notice of at least seven (7) days. The BRC may also conduct meetings by telephone or teleconference.

7.7 **Parts.** Company may order mutually defined and agreed components from Jabil from time to time for its internal purposes. Jabil shall commit to supply any components requested by Jabil (i) at the Lead Time specified for the applicable Product, and (ii) the purchase price of the components to be paid by Company shall equal Jabil's actual purchase price of the components, plus agreed upon logistic costs, custom clearance, and shipment cost and [* * *] margin. In the event of orders by the Company of components from Jabil for use for internal production purposes, the purchase price of the components to be paid by Company shall equal Jabil's actual purchase price of the components, plus agreed upon logistic costs, custom clearance, and shipment cost and [* * *] margin.

7.8 **EOL Components.** In the event that the vendor of any Components purchased by Jabil in connection with the Products notifies Jabil in writing of the end of life of any such components, Jabil shall notify Company of such end of life and Company shall be entitled to issue last-buy purchase orders for six months.

8. **Import and Export.** Company shall be responsible for obtaining any required import or export licenses necessary for Jabil to ship Product, including certificates of origin, manufacturer's affidavits, and U.S. Federal Communications Commission's identifier, if applicable and any other licenses required under US or foreign law and Company shall be the importer of record. Company agrees that it shall not export, re-export, resell or transfer, or otherwise require Jabil to ship or deliver any Product, assembly, component or any technical data or software which violate any export controls or limitations imposed by the United States or any other governmental authority, or to any country for which an export license or other governmental approval is required at the time of export without first obtaining all necessary licenses and approvals and paying all duties and fees. Company shall provide Jabil with all licenses, certifications,

10

approvals and authorizations in order to permit Jabil to comply with all import and export laws, rules and regulations for the shipment and delivery of the Product. Company shall also be responsible for complying with any legislation or regulations governing the importation of the Product into the country of destination and for payment of any duties thereon.

9. **Design or Repair Services; US Government Contracts.** In the event that the Parties agree that Jabil will provide design or repair (i.e., out of warranty) services for Company, or US government subcontract services for Company, the terms and conditions of such services shall be set forth in a mutually agreed upon separate agreement prior to the commencement of any such services. No FAR, DFAR, or any other FAR Supplement clauses shall be applicable to this Agreement. If Company requires Jabil to perform any of the foregoing services prior to execution of a separate services agreement, Jabil's services will be provided "as is" and Company shall be fully responsible for any claims or liability arising from such services and corresponding deliverables or products.

10. **Change Orders, Rescheduling and Cancellation.**

10.1 **Changes to Manufacturing Services, Packaging and Shipping Specifications and Test Procedures.** Company may, in writing, request a change to the Manufacturing Services, Packaging and Shipping Specifications and Test Procedures at any time. Jabil will analyze the requested change and provide Company with an assessment of the effect that the requested change will have on cost, manufacturing, scheduling, delivery and implementation. Company will be responsible for all costs associated with any accepted changes which shall be made in accordance with Schedule 1. Any such change shall be documented in a written change order and shall become effective only upon mutual written agreement of both Parties to the terms and conditions of such change order, including changes in time required for performance, cost and applicable delivery schedules.

10.2 **Production Increases.** Company may, in writing, request increases in production volume of Product for an outstanding Build Schedule Forecast (beyond the flexibility set forth in Schedule 1) at any time. Jabil will analyze the request and determine if it can meet the requested increase within the required Lead-time. If Jabil can satisfy the requested increase it will provide Company with a new Build Schedule setting forth the expected delivery date of the changed order. If Jabil is unable to satisfy or comply with Company's requested increase in production volume within the requested time frame for delivery, Jabil will provide the reasons preventing Jabil from satisfying the requested increase within five (5) business days after receipt of Company's request. Any such change shall be documented in a written change order and shall become effective only upon mutual written agreement of both Parties to the terms and conditions of such change order, including changes in time required for performance, cost and applicable delivery schedules.

10.3 **Product Configuration Changes and Engineering Changes.** Company may request configuration or engineering changes to Product in writing at any time. Jabil will analyze the request and determine if it can meet the requested changes within the required Lead-time. If Jabil can satisfy the requested change it will provide Company within five (5) business days after receipt of the configuration or engineering request notice, a notice of acceptance of the requested changes along with any additional costs and expected changes to delivery schedules, all in accordance with Schedule 1. If Jabil is unable to satisfy or comply with Company's requested changes within the requested time frame for delivery, Jabil will provide the reasons preventing Jabil from satisfying the requested increase within five (5) business days after receipt of Company's request. Any such change shall be documented in writing and shall become effective only upon mutual written agreement of both Parties of the terms and conditions of such change, including changes in time required for performance, cost (including cost of materials on hand or on order in accordance with original Build Schedule) and applicable delivery schedules.

10.4 **Treatment of Obsolete/End-of-Life Material.** Upon receiving notice from Company (or Supplier, if applicable) of an intent to make an engineering change or that any Product, component or assembly has become obsolete or has reached end-of-life Jabil will, within 5 business days after receiving such notice, provide Company with an analysis of Company's liability to Jabil for components and materials acquired or scheduled to be acquired to manufacture such Product. Company's liability shall include the price of finished Product and Jabil's costs (including cancellation fees and charges), plus applicable margin, of work in progress, safety stock components and materials and components and materials on hand or on order within applicable Lead-times. Jabil

will use Commercially Reasonable Efforts to assist Company in minimizing Company's liability by taking the following steps:

- As soon as is commercially practical reduce or cancel component and material orders to the extent contractually permitted.
- Return all components and materials to the extent contractually permitted.
- Make all Commercially Reasonable Efforts to sell components and materials to third parties.
- Assist Company to determine whether current work in progress should be completed, scrapped or shipped "as is".
- Upon acceptance from Company, procure and hold materials and components under a "last time buy" under mutually agreed upon terms to carry such inventory.

10.5 **Rescheduled Delivery and Cancellation of Orders.** Company may request Jabil to reschedule the delivery date for Product(s) and cancel pending orders in accordance with the attached Schedule 1, Statement of Work.

10.6 **Termination Charges.** Upon termination of this Agreement by the Company, Jabil shall submit to Company Jabil's invoices for termination charges within (a) [* * *] days from the effective date of such termination, for materials and component costs and applicable margin and (b) [* * *] days after the end of the [* * *] month period following termination for the charge set forth below. Jabil's invoice for such charges shall be based upon costs incurred by Jabil up to the date of termination ("Termination Effective Date"). Jabil will provide to Company all information reasonably necessary to confirm any termination charges billed to the Company under this section. Termination Charges are as follows:

10.6.1 The applicable price for the Product of which Jabil has completed manufacture prior to the Termination Effective Date pursuant to an issued Build Schedule for which payment has not been made;

10.6.2 Reimbursements for material acquisition costs, components, subassemblies and work-in-process at the time of Termination Effective Date which were purchased or ordered pursuant to issued Build Schedules or Build Schedule Forecasts plus applicable margin;

10.6.3 Jabil's actual costs incurred for components and materials purchased in accordance with Schedule 1 prior to the Termination Effective Date pursuant to issued Build Schedules;

10.6.4 Jabil's cost of equipment or tooling purchased by Jabil specifically for the manufacture, test, design, or packaging of Product as specified in Schedule 1. All goods for which Company shall have paid 100% of Jabil's incurred cost or more shall be held by Jabil for Company's account and Company may arrange for its acquisition of them on AS-IS, WHERE-IS basis.

10.7 **Duty to Mitigate Costs.** Both Parties shall, in good faith, undertake Commercially Reasonable Efforts to mitigate the costs of termination, expiration or cancellation. Jabil shall make Commercially Reasonable Efforts to cancel all applicable component and material purchase orders and reduce component inventory through return for credit programs or allocate such components and materials for alternate Company programs if applicable, or other customer orders provided the same can be used within ninety (30) days of the termination date.

11. **Term.** The term of this Agreement shall begin on the Effective Date and shall end upon fulfillment of commitments by each party to one another. Notwithstanding the foregoing, Sections 4.1, 4.2, 4.3, 4.6, 5, 6, 7, 8, 10.4, 10.5, 10.6, 10.7, 11, 12.4, 13, 14, 15, 16, 17, 19 and 21 herein shall survive the expiration, cancellation or termination of this Agreement.

12. **Termination.** This Agreement may be terminated as follows:

12

12.1 **Termination for Convenience.** This Agreement may be terminated at any time upon the mutual written consent of the Parties or upon the date for termination set forth in a written notice given by one Party to the other not less than [* * *] days prior to such date.

12.2 **Termination for Cause.** Either Party may terminate this Agreement based on the material breach by the other Party of the terms of this Agreement, provided that the Party alleged to be in material breach receives written notice setting forth the nature of the breach at least [* * *] days prior to the intended termination date. During such time the Party in material breach may cure the alleged breach and if such breach is cured within such [* * *] day period, no termination will occur and this Agreement will continue in accordance with its terms. If such breach shall not have been cured, termination shall occur upon the termination date set forth in such notice.

12.3 **Termination for Bankruptcy/Insolvency.** Upon the happening of any of the following events with respect to a Party, this Agreement may be terminated immediately:

12.3.1 The appointment of a receiver or custodian to take possession of any or all of the assets of a Party, or should a Party make an assignment for the benefit of creditors, or should there be an attachment, execution, or other judicial seizure of all or a substantial portion of a Party's assets, and such attachment, execution or seizure is not discharged within thirty (30) days.

12.3.2 A Party becomes a debtor, either voluntarily or involuntarily, under Title 11 of the United States Code or any other similar law and, in the case of an involuntary proceeding, such proceeding is not dismissed within thirty (30) days of the date of filing.

12.3.3 The dissolution or termination of the existence of a Party whether voluntarily, by operation of law or otherwise.

12.4 **Termination Consequences.** If this Agreement is terminated for any reason, Company shall not be excused from performing its obligations under this Agreement with respect to manufacturing or payment for all monies due hereunder including fees, costs and expenses incurred up to and including the Termination Effective Date.

13. **Confidentiality.**

13.1 **Confidentiality Obligations.** In order to protect both Parties' Proprietary Information and Technology the Parties agree that each Party shall use the same degree of care, but no less than a reasonable degree of care, as such Party uses with respect to its own similar information to protect the Proprietary Information and Technology of the other Party and to prevent any use of Proprietary Information and Technology other than for the purposes of this Agreement. This Section 13 imposes no obligation upon a Party with respect to Proprietary Information and Technology which (a) was known to such Party before receipt from the disclosing Party; (b) is or becomes publicly available through no fault of the receiving Party; (c) is rightfully received by the receiving Party from a third party without a duty of confidentiality; (d) is disclosed by the disclosing Party to a third party without imposing a duty of confidentiality on the third party; (e) is independently developed by the receiving Party without a breach of this Agreement; or (f) is disclosed by the receiving Party with the disclosing Party's prior written approval. If a Party is required by a government body or court of law to disclose Proprietary Information and Technology, this Agreement or any portion hereof, then such Party agrees to give the other Party reasonable advance notice so that the other Party may seek a protective order or otherwise contest the disclosure.

13.2 **Employees, Agents and Representatives.** Each Party represents and warrants to the other that it has adopted policies and procedures with respect to the receipt and disclosure of confidential or proprietary information, such as the Proprietary Information and Technology with its employees, agents and representatives. Each Party represents and warrants to the other Party that it will cause each of its employees, agents and representatives to maintain and protect the confidentiality of the other Party's Proprietary Information and Technology.

13

13.2.1 Each Party shall limit the access to the Proprietary Information and Technology to those of its personnel for whom such access is necessary for the proper performance of this Agreement who are under confidentiality obligation to the Receiving Party and advise them about the obligations of confidentiality contained herein.

13.2.2 Without prejudice to the generality of the aforesaid, each Party agrees to protect the confidentiality of the Proprietary Information and Technology at least with the same degree of care as it exercises in respect of its own confidential information and business secrets and not disclose Proprietary Information and Technology to any other Jabil customer without a need to know and without the prior written consent of Customer.

13.3 **Term and Enforcement.** The confidentiality obligation set forth in this Agreement shall be observed during the term of the Agreement and for a period of five (5) years following the termination of this Agreement. Each Party acknowledges that a breach of any of the terms of this Section 13 may cause the non-breaching Party irreparable damage, for which the award of damages would not be adequate compensation. Consequently, the non-breaching Party may institute an action to enjoin the breaching Party from any and all acts in violation of those provisions, which remedy shall be cumulative and not exclusive, and shall be in addition to any other relief to which the non-breaching Party may be entitled at law or in equity. Such remedy shall not be subject to the arbitration provisions set forth in Section 21.13.

13.4 **Return of Proprietary Information and Technology.** Upon the termination, cancellation or expiration of this Agreement all Proprietary Information and Technology shall, upon written request, be returned to the respective Party, or at the respective Party's discretion, destroyed by the receiving Party.

14. **Intellectual Property Rights; Assignment.**

14.1 Jabil Background Intellectual Property. Jabil shall retain all right, title and ownership to any Jabil Background Intellectual Property.

Jabil hereby grants to Company a worldwide, non-exclusive, fully paid-up, royalty free right and license under Jabil's intellectual property rights to the Jabil Background Intellectual Property only insofar as is required for Company to use, sell or distribute the Product, provided as part of the Manufacturing Services performed by Jabil pursuant to this Agreement; provided however, that no license to manufacturing processes and/or manufacturing process improvements shall be granted hereunder.

14.2 Jabil Created Intellectual Property. Jabil shall retain all right, title and ownership to any Jabil Created Intellectual Property that is prepared as part of the Manufacturing Services or into any other work provided pursuant to this Agreement or any other related agreement executed by the Parties.

Jabil hereby assigns to Company all of Jabil's right, title and interest in and to the Jabil Created Intellectual Property incorporated into the Product as provided under the Manufacturing Services, provided, however, that no assignment of, or license to, manufacturing processes and/or manufacturing process improvements shall be granted hereunder. Company hereby grants to Jabil a worldwide, non-exclusive, irrevocable, fully paid-up, royalty-free right and license in and to the Jabil Created Intellectual Property assigned hereunder.

15. RESERVED

16. Warranty and Indemnification

16.1 Company Indemnification. Company represents and warrants that it has no knowledge of any potential infringement claims with respect to the Product. Company agrees to indemnify, defend and hold Jabil and its employees, Affiliates, successors and assigns, harmless from and against all claims, damages, losses, costs and expenses, including attorneys' fees, arising from and any third party claims asserted against Jabil and its employees, Affiliates, successors and assigns, that are based in part or in whole on any of the following: (a) Specifications,

14

Company Proprietary Information and Technology, any Product, or any information, technology and processes supplied and/or approved by Company or otherwise required by Company of Jabil; (b) actual or alleged noncompliance with Materials Declaration Requirements; (c) that any item in subsection (a) infringes or violates any patent, copyright or other intellectual property right of a third party, and (d) design or product liability alleging that any item in subsection (a) that causes damages of any kind. Jabil may employ counsel, at its own expense, to assist Company with respect to any such claims, provided that if such counsel is necessary because of a conflict of interest with Company or its counsel or because Company does not assume control of the defense of a claim for which Company is obligated to indemnify Jabil hereunder, Company shall bear such expense. Company shall not enter into any settlement that affects Jabil's rights or interests without Jabil's prior written approval, which shall not be unreasonably withheld. Jabil will provide such assistance and cooperation as is reasonably requested by Company or its counsel in connection with such indemnified claims.

16.2 Jabil Indemnification. Jabil agrees to indemnify, defend and hold Company and its employees, subsidiaries, affiliates, successors and assigns harmless from and against all claims, damages, losses, costs and expenses, including attorneys' fees, recovered by third parties arising from any third party claims asserted against Company and its employees, subsidiaries, affiliates, successors and assigns that are based in part or in whole on (i) an allegation that the manufacturing processes supplied by Jabil hereunder, infringe or violate any patent, copyright or other intellectual property right of a third party; or (ii) third party claims for bodily injury or tangible property damage to the extent such claim is based on a manufacturing defect solely and proximately caused by Jabil's gross negligence or willful misconduct that constitutes a material breach by Jabil of its obligations under this Agreement and was not necessary to comply with the Specifications or otherwise approved or required by Company. Company shall promptly advise Jabil of any such claim or allegation in writing, and grant Jabil control of the defense of such claim or suit. Company may employ counsel, at its own expense to assist Company with respect to any such claims, provided that if such counsel is necessary because of a conflict of interest with Jabil or its counsel or because Jabil does not assume control of the defense of a claim for which Jabil is obligated to indemnify Company hereunder, Jabil shall bear such expense. Jabil shall not enter into any settlement that affects Company's rights or interests without Company's prior written approval, which shall not be unreasonably withheld. Company will provide such assistance and cooperation as is reasonably requested by Jabil or its counsel in connection with such indemnified claims.

17. Relationship of Parties. Jabil shall perform its obligations hereunder as an independent contractor. Nothing contained herein shall be construed to imply a partnership or joint venture relationship between the Parties. The Parties shall not be entitled to create any obligations on behalf of the other Party, except as expressly contemplated by this Agreement. The Parties will not enter into any contracts with third parties in the name of the other Party without the prior written consent of the other Party.

18. Insurance. Each Party will keep its business and properties insured at all times against such risks for which insurance is usually maintained by reasonably prudent Persons engaged in a similar business (including insurance for hazards and insurance against liability on account of damage to Persons or property and insurance under all applicable workers' compensation laws). The insurance maintained shall be in such monies and with such limits and deductibles usually carried by Persons engaged in the same or a similar business.

19. Publicity. Without the consent of the other Party, neither Party shall refer to this Agreement in any publicity or advertising or disclose to any third party any of the terms of this Agreement. Notwithstanding the foregoing, neither Party will be prevented from, at any time, furnishing any information to any governmental or regulatory authority, including the United States Securities and Exchange Commission or any other foreign stock exchange regulatory authority, that it is by law, regulation, rule or other legal process obligated to disclose, so long as the other Party is given advance written notice of such disclosure pursuant to Section 13.1. A Party may disclose the existence of this Agreement and its terms to its attorneys and accountants, suppliers, customers and others only to the extent necessary to perform its obligations and enforce its rights hereunder.

20. Force Majeure. Neither Party will be liable for any delay in performing, or for failing to perform, its obligations under this Agreement (other than the payment of money) resulting from any cause beyond its

15

reasonable control including, acts of God; blackouts; power failures; inclement weather; fire; explosions; floods; hurricanes; typhoons; tornadoes; earthquakes; epidemics; strikes; work stoppages; labor, component or material shortages related to a Force Majeure event, slow-downs; industrial disputes; sabotage; accidents; destruction of production facilities; riots or civil disturbances; acts of government or governmental agencies, including changes in law or regulations that materially and adversely impact the Party, and U.S. Government priority orders or contracts; provided that the Party

affected by such event promptly notifies (in no event more than ten (10) business days of discovery of the event) the other Party of the event. If the delays caused by the force majeure conditions are not cured within sixty (60) days of the force majeure event, then either Party may immediately terminate this Agreement. Termination of this Agreement pursuant to this Section 20 shall not affect Company's obligation to pay Jabil, as set forth herein.

21. **Miscellaneous.**

21.1 Notices. All notices, demands and other communications made hereunder shall be in writing and shall be given either by personal delivery, by nationally recognized overnight courier (with charges prepaid), by facsimile or EDI (with telephone confirmation) addressed to the respective Parties at the following addresses:

<u>Notice to Jabil:</u>	Jabil Circuit, Inc. 10560 Dr. M.L. King Jr. Street North St. Petersburg, FL 33716 Facsimile: 727-579-8529 Attn: <u>Christophe Calboli</u>
<u>with a copy to:</u>	Jabil Circuit, Inc. 10560 Dr. M.L. King Jr. Street North St. Petersburg, FL 33716 Facsimile: (727) 803-3415 Attn: General Counsel
<u>Notice to Company:</u>	SolarEdge Technologies Ltd. 6 Haharash Street Hod Hasharon ISRAEL Attn: VP Operations and VP General Counsel

21.2 Attorneys' Fees and Costs. In the event that attorneys' fees or other costs are incurred to enforce payment or performance of any obligation, agreement or covenant between the Parties or to establish damages for the breach of any obligation, agreement or covenant under this Agreement, or to obtain any other appropriate relief under this Agreement, whether by way of prosecution or defense, the prevailing Party shall be entitled to recover from the other Party its reasonable attorneys' fees and costs, including any appellate fees and the costs, fees and expenses incurred to enforce or collect such judgment or award and any other relief granted.

21.3 Amendment. No course of dealing between the Parties hereto shall be effective to amend, modify, or change any provision of this Agreement. This Agreement may not be amended, modified, or changed in any respect except by an agreement in writing signed by the Party against whom such change is to be enforced. The Parties may, subject to the provisions of this Section 21.3, from time to time, enter into supplemental written agreements for the purpose of adding any provisions to this Agreement or changing in any manner the rights and obligations of the Parties under this Agreement or any Schedule hereto. Any such supplemental written agreement executed by the Parties shall be binding upon the Parties.

21.4 Partial Invalidity. Whenever possible, each provision of this Agreement shall be interpreted in such a way as to be effective and valid under applicable law. If a provision is prohibited by or invalid under applicable law, it shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

16

21.5 Monies. All references to monies in this Agreement shall be deemed to mean lawful monies of the United States of America.

21.6 Entire Agreement. This Agreement, the Schedules and any addenda attached hereto or referenced herein, constitute the complete and exclusive statement of the agreement of the Parties with respect to the subject matter of this Agreement, and replace and supersede all prior agreements and negotiations by and between the Parties. Each Party acknowledges and agrees that no agreements, representations, warranties or collateral promises or inducements have been made by any Party to this Agreement except as expressly set forth herein or in the Schedules and any addenda attached hereto or referenced herein, and that it has not relied upon any other agreement or document, or any verbal statement or act in executing this Agreement. These acknowledgments and agreements are contractual and not mere recitals. In the event of any inconsistency between the provisions of this Agreement and any Schedule and any addenda attached hereto or referenced herein, the provisions of this Agreement shall prevail unless expressly stipulated otherwise, in writing executed by the Parties. Pre-printed language on each Party's forms, including purchase orders, shall not constitute part of this Agreement and shall be deemed unenforceable.

21.7 Binding Effect. This Agreement shall be binding on the Parties and their successors and assigns; provided, however, that neither Party shall assign, delegate or transfer, in whole or in part, this Agreement or any of its rights or obligations arising hereunder without the prior written consent of the other Party. Any purported assignment without such consent shall be null and void. Notwithstanding the foregoing, Jabil shall have the right to assign its rights to receive monies hereunder without the prior written consent of Company.

21.8 Waiver. Waiver by either Party of any breach of any provision of this Agreement shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Agreement.

21.9 Captions. The captions contained in this Agreement are inserted only as a matter of convenience or reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions.

21.10 Construction. Since both Parties have engaged in the drafting of this Agreement, no presumption of construction against any Party shall apply.

21.11 Section References. All references to Sections or Schedules shall be deemed to be references to Sections of this Agreement and Schedules attached to this Agreement, except to the extent that any such reference specifically refers to another document. All references to Sections shall be deemed to also refer to all subsections of such Sections, if any.

21.12 Business Day. If any time period set forth in this Agreement expires upon a Saturday, Sunday or U.S. national, legal or bank holiday, such period shall be extended to and through the next succeeding business day.

21.13 Dispute Resolution

21.13.1 The Parties shall use good faith efforts to resolve disputes, within twenty (20) business days of notice of such dispute. Such efforts shall include escalation of such dispute to the corporate officer level of each Party.

21.13.2 If the Parties cannot resolve any such dispute within said twenty (20) business day period, the matter shall be submitted to arbitration for resolution. Arbitration will be initiated by filing a demand at the Santa Clara, California regional office of the American Arbitration Association (“AAA”).

21.13.3 Disputes will be heard and determined by a panel of three arbitrators. Each Party will appoint one arbitrator to serve on the panel. A neutral arbitrator will be appointed by the AAA. All

arbitrators must have significant experience in resolving disputes involving electronic manufacturing and design services.

21.13.4 Within fifteen (15) business days following the selection of the arbitrator, the Parties shall present their claims to the arbitrator for determination. Within ten (10) business days of the presentation of the claims of the Parties to the arbitrator, the arbitrator shall issue a written opinion. To the extent the matters in dispute are provided for in whole or in part in this Agreement, the arbitrator shall be bound to follow such provisions to the extent applicable. In the absence of fraud, gross misconduct or an error in law appearing on the face of the determination, order or award issued by the arbitrator, the written decision of the arbitrator shall be final and binding upon the Parties. The prevailing Party in the arbitration proceeding shall be entitled to recover its reasonable attorneys’ fees, costs and expenses including travel-related expenses.

21.14 Other Documents. The Parties shall take all such actions and execute all such documents that may be necessary to carry out the purposes of this Agreement, whether or not specifically provided for in this Agreement.

21.15 Counterparts. This Agreement may be executed by facsimile and delivered in one or more counterparts, each of which shall be deemed to be an original and all of which, taken together, shall be deemed to be one agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

21.16 Governing Law and Jurisdiction. This Agreement and the interpretation of its terms shall be governed by the laws of the State of California, without application of conflicts of law principles. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The Parties hereby agree that the State and Federal Courts with jurisdiction over disputes arising in Santa Clara, California shall have exclusive jurisdiction over any litigation hereunder.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

SOLAREEDGE TECHNOLOGIES, INC.

JABIL CIRCUIT, INC.

By: _____
Signature

By: _____
Signature

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

**SCHEDULE 1
TO MANUFACTURING SERVICES AGREEMENT
BETWEEN JABIL AND COMPANY**

STATEMENT OF WORK

- Product Description: See attached flow charts
- Specifications: to be provided
- Quality Assurance Test Procedures: See attached QA document and below
- Supply Chain Management

- Production Planning
 - 5 Levels of Planning is required
 - Master Production Schedule (MPS) or Build Schedule Forecast (BSF)
 - Coverage for LLT Components (LT > MPS Coverage Period)
 - Sub Assembly Build Authorization (BA)
 - Safety Stock for Configurations (Conf Min-Max Sheet)
 - Finished Goods Delivery (PO)
 - The coverage for above Planning Requirement are
 - BSF - [* * *] — update monthly (provided to Jabil in the last week of the preceding month)
 - LLT - Long Lead Time Component Sheet - update monthly (provided to Jabil in the last week of the preceding month)
 - BA - 4 weeks — update Weekly (Thursday of the preceding week)
 - Min-Max Inventory Sheet — List of Inventory — update Monthly (provided to Jabil in the last week of the preceding month)
 - PO - 1 week — update weekly (Thursday of the preceding week)
 - Flexibility - Applicable to BSF, LLT Sheet, Min-Max Sheet, BA and PO
 - Preceding Condition - Production Plan need to cover a minimum of [* * *] of Jabil allocated capacity to SolarEdge. Jabil and SolarEdge shall plan for production to reach between [* * *] and [* * *] of Discrete Capacity, any demand that exceeds the Discrete Capacity shall be subject to the lead-time described below for expansion. Discrete Capacity is the capacity available based on complete set of equipment and machinery that provide production capacity.
 - Build Authorization Flexibility is subject to availability of Capacity & Materials per BFS. Flexibility is based on the upside and/ downside of demand per most recent forecast BSF and/or Build Schedule[BA], with the conditions of materials availability, based on previous BSF and/or additional materials preparation authorized by SolarEdge.
-
- Capacity Increment is defined as additional request of demand and relates to capacity provided by Jabil, depending on availability of materials
 - For any capacity increment beyond this condition, the lead-time of 3 months is required.
 - All materials per forecast commitment are 100% SE Liability. All materials purchased under the agreed purchasing term such as MOQ, Lead-time, NCNR, etc. within the coverage of BSF,LLT Sheet, Config Min-Max Sheet, BA and PO are all subject to 100% claim and chargeable to SolarEdge.
 - With reference to BA and PO, no cancellation of FG of current week & Sub Assy for the following week is allowed. Cancellation is defined as removal and/or reducing of demand of BSF, LLT Sheet, BA, Min-Max Sheet, and PO. For Sub Assy and FG, the rescheduling within the quarter is allowable, but, will be invoiced before SE quarter end or offset with Inventory Deposit.
- E&O and Excessive WIP/FG Management
 - Waterfall Chart per new Planning Cycle for each 5 category of Production Planning is required for E&O Review. Waterfall Chart is the report that shows the demand of BSF for each month for the whole cycle of planning. The report is used to compare the changes/difference for demand from month to month. Any changes that is greater than the conditions of Flexibility above shall be subjected to discussion and agreement of both parties in order to comply with the Flexibility/Cancellation/Rescheduling Agreement above.
 - Define materials E&O and dispose it before SE quarter as the condition below - The complete E&O list shall be provided by Jabil for on-going updates and review. E&O is Excess and Obsoletes. Excess is any physical inventory purchased in accordance with agreed purchasing terms that not covered by current demand, but still active in BOM. Obsoletes is any physical inventory that not covered by current demand, and no longer in BOM. (Excess = Physical Inventory - Total Demand)
 - FG/Sub Assy E&O - All FG/Sub Assy manufactured according to PO and BA shall be invoiced before SE quarter end or Offset with Inventory Deposit. The amount of Inventory Deposit shall be reviewed on quarterly basis, and the value of Inventory Deposit can be increased or reduced per the actual assessment of coverage required. Any FG/Sub Assy that produced before SE Quarter end shall be invoiced before quarter ending, and can be picked / shipped on the following quarter.
 - Inventory Deposit is a separate agreement that allows SolarEdge to keep cash at Jabil as Deposit of Materials Exposure without having any additional financial transaction. The amount of Inventory Deposit is subject to agreement of both parties with reference to the amount of materials exposure that SolarEdge would like Jabil to hold.
 - Excess shall be covered with Inventory Deposit for any materials aged < [* * *] days. Any excess that with materials aged less than [* * *] shall not be disposed with any financial transaction, as long as there is Inventory Deposit to cover the liability.
 - Any excess aged > [* * *] days shall be sold to SolarEdge, and not covered with Inventory Deposit. Any Excess that with materials aged more than [* * *] days shall be charged to SolarEdge with PO coverage. The materials can be kept at Jabil as Consigned Materials. The materials are subjected to be re-used as long as the
-

materials are still with good quality within the defined shelf life. The consigned materials is subj to storage charge that in line with industrial standard rate.

- Materials Procurement
 - Jabil shall be fully responsible for Procurement Activities such as issue PO, Planning, Delivery, Quality, etc. of the component regardless of classifications of category or type.
 - Category of component may be classified as CC, BU, and JS. This is to support the procurement activities role.
 - CC (Customer Control) means SE to negotiate price, determine sourcing and determine % of allocation or purchasing quota.
 - BU (Business Specific) means Jabil to work along with SE to negotiate prices, determine sourcing and determine % of allocation or purchasing quota.
 - JS (Jabil Standard) means Jabil to negotiate price, determine sourcing and determine % of allocation or purchasing quote without SE involvement.
 - AVL (Approved Vendor List) is the basis of manufacturer source regardless of the category, Jabil shall comply to manufacturer of AVL, and not specific supplier/vendor for purchasing.
- Consignment and Selling of Components
 - SE reserves the rights to consign and to sell components to Jabil; In this instance, Jabil shall be responsible for the components purchasing in the same manner that it is responsible for all other components, where SE is considered the supplier.
 - Purchasing Term for Consignment part is agreed as follows :
 - Incoterm—DDU Jabil plant or FOB HK ((subject to additional logistics cost)
 - Payment Term same as FG from Jabil to SE
 - There is no set off of payment for the consigned part with FG payment. Both companies need to perform the actual transaction of money transfer instead of offsetting
- Component Cost Reduction / Increment
 - There are three elements to cost reduction/ Increment:
 - Price list changes - to be reviewed once a qtr relating to components prices and cost of labor, in the last month of current qtr for new prices. Any new price shall be implemented as soon as available.
 - Component prices - are constantly evaluated and adjusted
 - PPV/revalue - is calculated at the beginning of each quarter for the previous quarter and should include all components purchased at a price different from the price list.
 - Any increases in pricing shall require proof in writing and supporting documentation to be supplied by Jabil to SE. This section shall also include calculation of inventory costs relating to cost fluctuations.
 - The cost variation will be reviewed quarterly, with PPV to be paid with PO for Credit or Debit.
 - Apply same guideline for ECO, also subj to Case-to-Case. In the case of product cost change due to ECO, product price may be adjusted during the quarter or beginning of next quarter as to be coordinated by both parties on a case by case basis.

 - Jabil need to send the information of premium and/or extra cost for any purchases due to demand upside, ECO/MCO implementation, etc. Jabil shall not act on any premium purchase until receipt of SE approval in writing (email is acceptable).
 - Jabil to provide SE the visibility of procurement data of component (s) that has Cost Reduction/Quality Implication upon request
- Currency Exchange
 - On any quarter review, if the exchange rate fluctuation is not more than +1- 5%, there is no conciliation required from both parties. Any changes higher than +1- 1.5%, any gain and/or lost shall be reviewed and agreed on the amount of variance, and pay with PO for Credit or Debit.
 - Both parties shall agree to set Ex Rate during quarterly price review
 - Jabil shall provide the information of currency for each component on the Item Master of Purchasing Data
- Pricing for Labor / Materials / OH, SGA / Margin
 - The pricing of Product is as per the Price Model in Schedule 3, and shall be reviewed Qtrly. SE and Jabil to agree on the definition of each parameter in Rate of Quotation. Any variance shall be adjusted accordingly or keep the variance as PPV for qtr end price review.
 - Apply the same Ex Rate Guideline for Labor Cost
 - Apply the same Comp Cost increment/Reduction Guideline for quarterly materials price review
 - OH Charges is defined at [* * *] of Landed BOM (BOM + Freight In + Duty), with the following attributes:
 - The OH % is agreed as of date of MSA signed, subj to changes with written agreement of both parties during Yearly Review or next MSA Review
 - OH% is covering Material Handling, Scrap, Finance costs
 - Inco Term of all materials is assumed at DDU Factory
 - All the OH and Materials is assumed at the Mass Prod volume, any premium cost incurred by non normal situation shall be charged to SE with Approval, Jabil shall purchase the materials based on the lead-time. Any purchase which is out of lead-time window, any additional pull-in and/or expediting process that caused additional cost, shall be paid by SE.
- Purchasing and Production Data
 - Jabil shall provide the details of the Purchasing and Production information to SE, and subject to confirmation of both parties. If there is any major difference, SE to provide evidence of difference if any data has major difference from Jabil.

- Purchasing Data such as Lead-Time, MOQ, MPQ, Currency, Inco Term, Cancellation and rescheduling Window, ABC classification, etc. to be part of Materials Master parameter, and shall be reviewed Qtrly
 - Jabil shall purchase the materials based on standard packaging and/or minimum order qty with industrial standard. Any abnormal case shall be reviewed by SE, and pay by SE upon approval.
 - Jabil shall provide the information such as supplier name, qty on order, physical OH qty, production plan, WIP, etc. to support SE for any Cost Reduction Program Review
-

- RMA and MRB Process

- Jabil RMA and MRB Procedure shall be applied where applicable with changes agreed by both company. Jabil to provide procedure to SE as reference.
- Any upgrade of revision of the product is subject to charges per specifications and cost related is subject to both parties written agreement. The upgrading of product is considered as Chargeable RMA. The RMA for this nature shall be considered as Consignment, and Jabil will charge additional costs incurred, and not the full product cost, and with Incoterm of ExW, SE shall responsible for the cost of delivery as per standard product.

- Inventory Management

- Jabil shall manage the inventory based on FIFO. FIFO is defined as first in first out.
- The FIFO is part of Jabil Materials system (SAP), and it's managed by GRN. GRN is Good Receiving Note, a label that provide the basic of traceability information in Jabil System.
- Jabil to compliance standard shelf life provided by specification of purchase. Any special requirement from SE shall cover with an approved list in writing, and any extra cost incurred due to the requirement of SE, shall subjected to extra charges, subj to approval by SE.
- SE may perform physical inventory count process on consignment materials. SE to provide the list of Consignment Materials, Jabil shall take up the responsibility of reporting to SE after the verification of inventory by both parties
- Both parties may set up Hub at various locations. SE to provide further Hub requirement, Jabil shall comply to standard Hub process, any special request from SE shall be subjected to extra charges upon agreement of both parties.
- The FG is quoted at Ex Work, additional request for storage is acceptable, with the condition of storage of FG is chargeable, per industry market rate, agreed by both parties. The charge is on monthly basis.
- The status of consigned materials shall be reviewed Qtrly, and excessive consignment that need storage management shall be subjected for extra charges. SE shall dispose physically any consigned obsolesces materials for non moving after 3 months.
- Days In Inventory Remark
- Raw Materials Inventory Management as per ABC Guideline below:
 - A Item - 2 weeks
 - B Item - 1 months
 - C Item - 2 months
- Jabil shall compliance to the requirement of SE of inventory management requirement. The requirement of DII as described shall be reviewed quarterly, any excess of inventory due to the requirement shall be adjusted with agreement from both parties.

- Logistics and Service Management

- SE to provide and define the final destination of FG delivery. The FG is quoted at Ex Factory term, SE is subj to be charged for local handling, freight out, importing duty, local stamp duty, insurance, carrier charge, storage (hubbing) and local handling for final destination. SE to pay Jabil to provide such service with charge, and do not need to deal with any third party in between where applicable.
-

- The Logistics Service required may include the following (not exclusive) :
 - Transition of FG to designated location
 - Hubbing and further transition to designated location
 - Local distribution to designated location
- SE may request Jabil to perform System Transaction in SE System (with access authorization), for the Logistics Service Scope involved. Jabil will charge for this service on top of the scope of Logistics Service.

- Quality Assurance

- See attached QA document.

- Manufacturing, Test and Process Engineering

- Start UP / NPI Mass Production Product as per sections 5.5, 10.3 and 10.4 of the Master Agreement

- Product Descriptions and Component and Materials Requirement - All Product Description, Process Requirement, Component and Materials Requirement refers to SE Controlled Document such as ECO/MCO/Deviation/ECR only.
- ECO/MCO/Download from Agile, and/or provided by SE with proper mean of acknowledgement
- Deviation / ECR - Any non ECO information shall be documented with Dev/ECR, no other means of instructions thru email, phone, etc. is acceptable
- FIA is equivalent to PO in MSA clause 5.5FIA [Financial Impact Analysis Report] shall be used to capture the Cost Impact of ECO/MCO/DEV/ECR, the cost associated to FIA shall be reviewed and approved by SE on a case by case basis. If the ECO results in cost reduction in the Product, then FIA shall not reflect this, see cost reduction section above for policy. Note : FIA is more

- applicable for 1-time charges such Rework, Quality Fix, etc. Labor costs for Reworks shall be based on actual labor performed (based on the regular labor and Test rates plus overhead sg&a and profit) plus consumables
- Urgent & Emergency Changes / Stoppage Notification of Urgent Case and/or Emergency Situation especially due to any severe Quality Impact (situation where proper documentation like ECO/MCO/DEV/ECR is under preparation or not readily available), shall address to Business Unit Director for waiver approval.
- NPI Process per Jabil Standard NPI Procedure attached hereto, with any appropriate changes accepted in writing by both parties. NPI shall only include those products being manufactured in batch below 1000 Units for Power Box and below 200 Units for inverters for testing by SolarEdge and not in preparation of ramp up. All new products to be eventually manufactured in high volumes shall be charged regular rates based on Price Quote.
- Charges for manufacturing of NPI products that are part with volumes as per above and not slotted for ramp up in manufacturing shall be as follows:

Power Box:

For volume of between [* * *] — [* * *] plus [* * *] all other costs excluding [* * *] plus [* * *].

For volume of between [* * *] — [* * *] plus [* * *] all other costs excluding [* * *] plus [* * *].

Inverter:

For volume of between [* * *] — [* * *] plus [* * *] all other costs excluding [* * *] plus [* * *].

For volume of between [* * *] — [* * *] plus [* * *] all other costs excluding [* * *] plus [* * *].

SolarEdge agrees to pay any cost to expedite materials needed for NPI, if so requested and approved. All such additional charges shall require the prior written

consent of SolarEdge. Doc Control - Doc Control and ECO/MCO/DEV/ECR Implementation is managed by Jabil ECO Coordinator

- Changes Implementation - All changes due to ECO/MCO/DEV/ECR shall be documented with Changes Implementation for Review and Approval where applicable. ECO charges shall only be applied for major changes and the hourly engineering rate shall not exceed [* * *] and shall be subject to the prior written approval of SolarEdge.

Consignment of Equipment

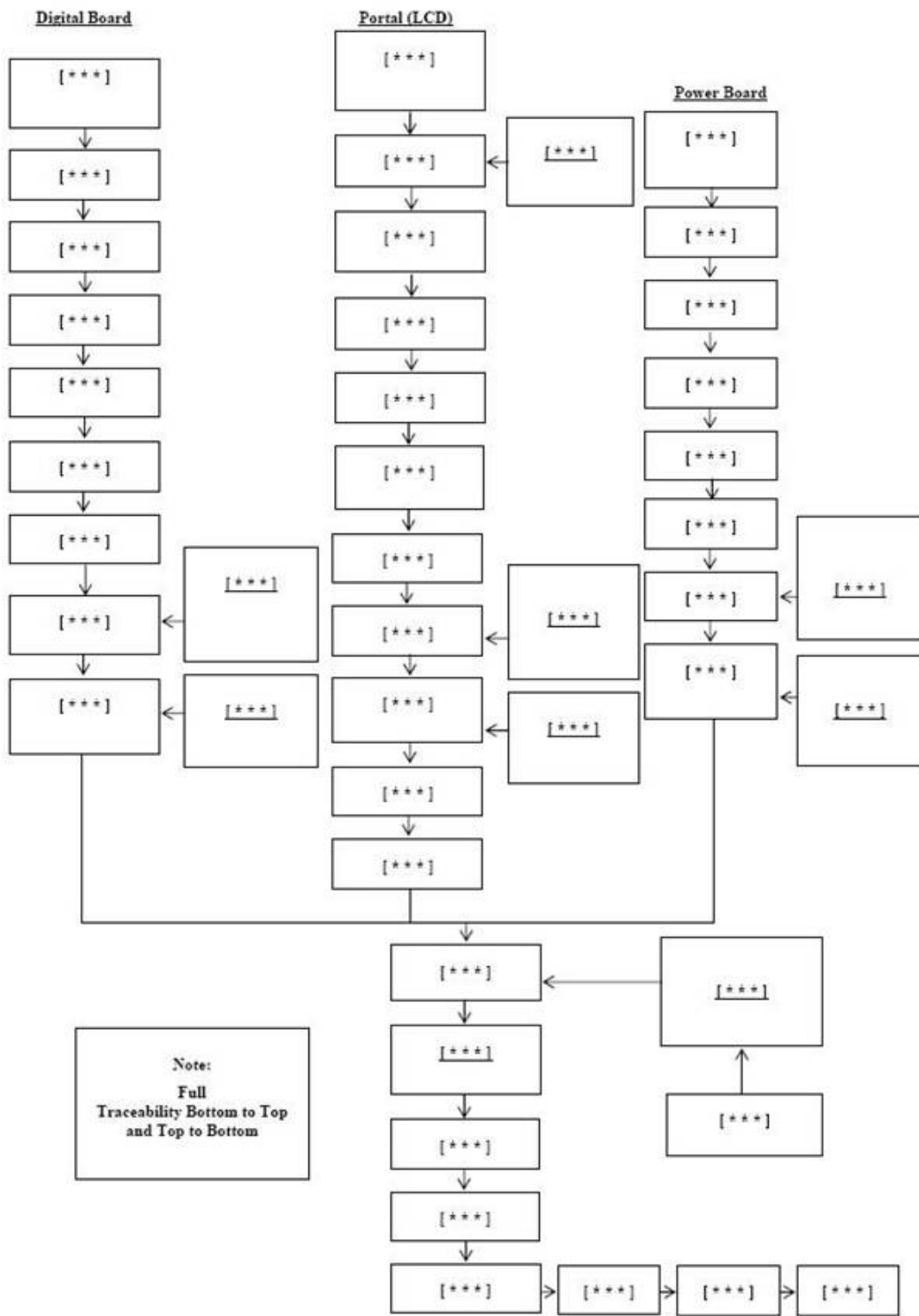
- Specific Tester - SE to provide physical unit of tester, any duplication of tester from Jabil, SE shall provide details of specifications and technical support for commission of the duplication of tester at Jabil.
- Spare and Maintenance - SE to pay for the spare parts and major maintenance cost. Any calibration cost for the Tester shall be subj to additional charges which shall be paid against evidence of payment by Jabil to third parties without any additional profit.
- Golden Unit - Fully tested units with known specifications of Product for both Power Box and Inverter shall be provided to Jabil as reference of Tester Set up and Calibrations. The number of Golden Unit is defined as 5-10 units, or any appropriate number agreeable to both parties.

Testers:

For testers replicated by Jabil based on SE models — Jabil shall build for SolarEdge and SolarEdge shall pay Jabil for the [* * *] and [* * *] and [* * *] plus [* * *] based on the number of hours for labor that SolarEdge states it took for manufacturing and agreed by Jabil . If there is a major discrepancy in the number of hours for labor, the Parties will enter into good faith negotiations to resolve.

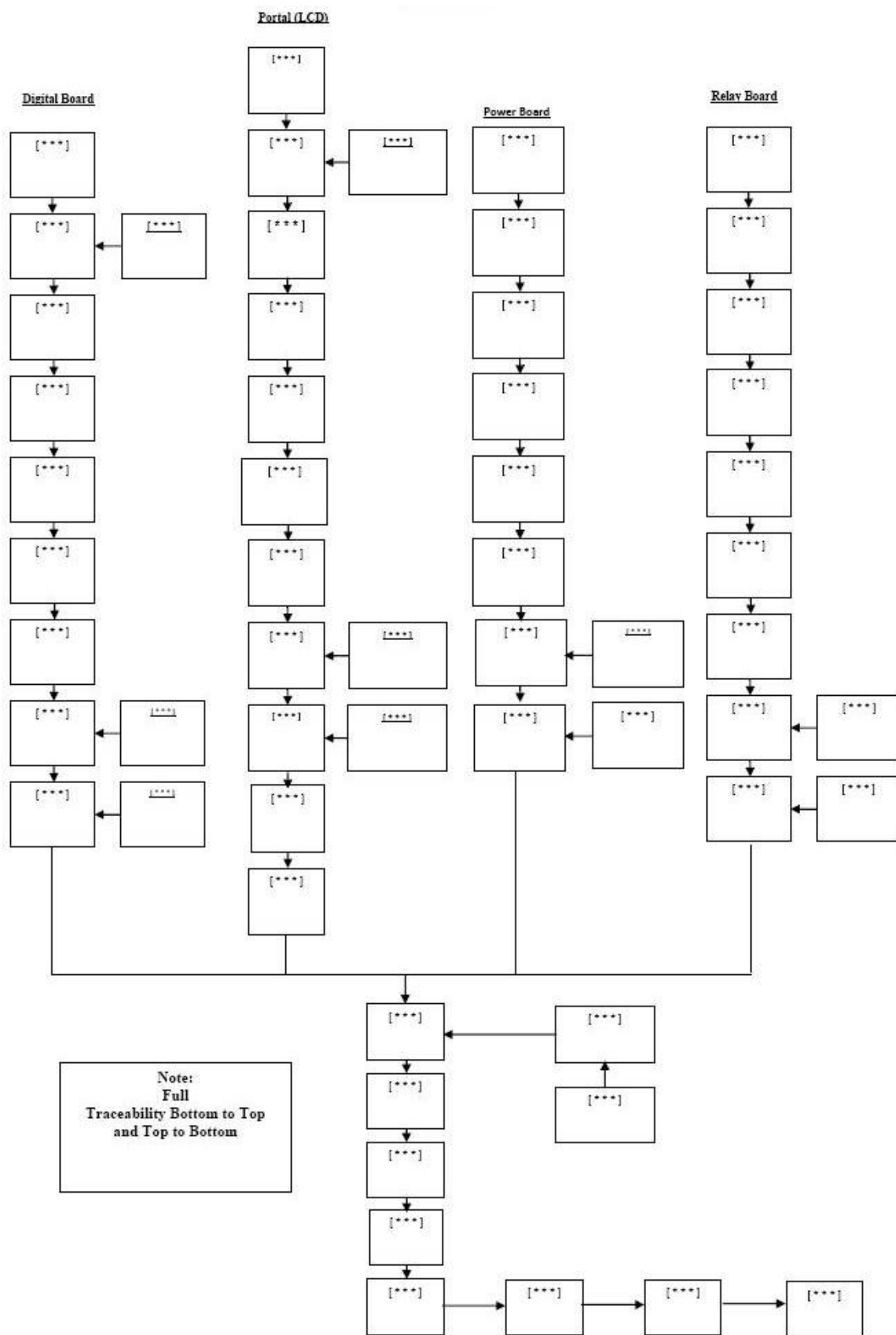
[* * *]

Flow chart

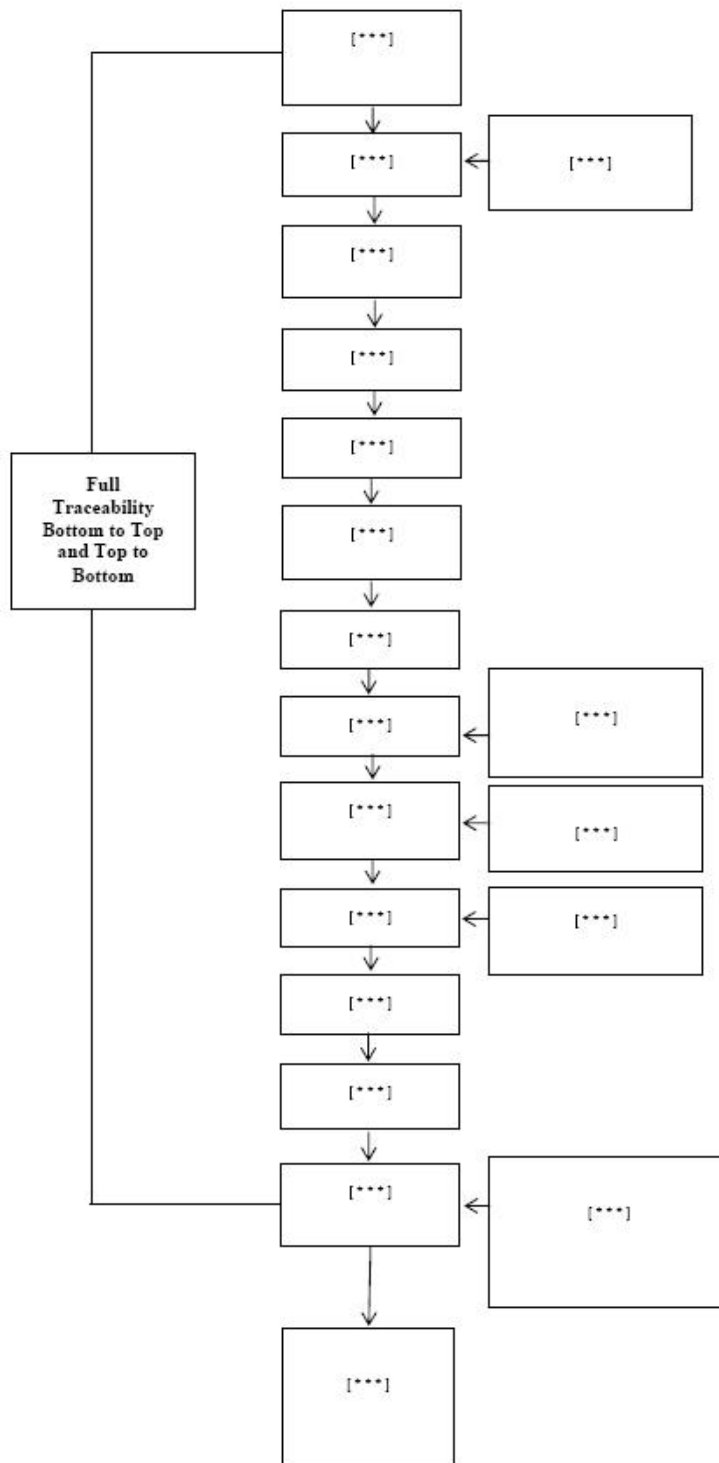


[***]

Flow chart



PB Flow chart



solaredge

Title
Part No:

Quality Assurances SOW for CM
DOC-QA-00001

of pages:
Date

14
16/06/2011

**Quality Assurance
Scope of Work for Contract Manufacturing**

Revision History

Rev	Description of Change	Originator/Approver	Date
1	Document Creation	Aharon Rochman	01/06/2011

SOLAREEDGE TECHNOLOGIES CONFIDENTIAL: This document and the information contained in it are confidential, and may not be copied or disclosed in whole or in part without the expressed written consent of SolarEdge Technologies.

SolarEdge Technologies

US: 900 Golden Gate Terrace, Suite E, Grass Valley, CA 95445, USA
 German: Königstr. 5, 01097 Dresden
 Japan: B-9 Ariake Frontier Building, 3-7-26 Ariake, Koto-Ku, Toyo, 135-0063
 Isreal: 6 Ha'Harash St., P.O. Box 7349, Neve Ne'eman, Hod Hasharon 45240

Table of Contents

1.	PURPOSE	3
2.	SCOPE	3
2.1	QUALITY ASSURANCE MANAGEMENT TEAM	3
2.2	CONFORMANCE WITH INTERNATIONAL QUALITY ASSURANCE STANDARDS	3
2.3	INFRASTRUCTURES	3
2.4	SERVICES	3
2.5	QUALITY GOALS	3
3.	REFERENCED DOCUMENTS	3
3.1	DOCUMENTS	3
3.1.1	ISO 9001	3
3.1.2	ISO 14001	3
3.1.3	OHSAS 18001	3
3.1.4	RoHS Directive	3
3.1.5	REACH Directive	3
4.	DEFINITIONS	3
4.1	DEFINITIONS	3
5.	REQUIREMENTS	4
5.1	QUALITY ASSURANCE MANAGEMENT TEAM	4
	<i>The Contract Manufacturer shall appoint the following functions to be available for SolarEdge production line at all times:</i>	4
5.1.1	QA Manager — Contract manufacturing company management level	4
5.1.2	Quality Engineer/s at Factory level	5
5.1.3	Joint Quality Engineer (JQE)	5
5.1.4	QC Member (as many as needed)	5
5.2	CONFORMANCE WITH INTERNATIONAL QUALITY ASSURANCE STANDARDS	5
5.2.1	ISO 9001	5
5.2.2	ISO 14001 Environmental management	5
5.2.3	OHSAS 18001 Health and Safety	5
5.2.4	International standards regarding Social Audit Requirements or Global Citizen Partnership (“GCP”)	5
5.3	INFRASTRUCTURES	5
	<i>The Contract Manufacturer agrees utilize the following infrastructure:</i>	5
5.3.1	Quality System	5
5.3.2	Document Control System	5
5.3.3	Corrective Action System	5
5.3.4	Product (per P/N and Revision) Configuration Control System	6
5.3.5	Shop Floor Production Control System	6
5.3.6	Data Retention	6
5.3.7	Inspection Measurement and Test Equipment (“IMTE”)	6
5.3.8	Customer Owned Equipment	6
5.3.9	Environmental tests facilities	6
5.3.10	Reliability Test Facility	6
5.3.11	Labs for RoHS and Chemical Analysis	6
5.4	SERVICES	7
5.4.1	Audits	7
5.4.2	High Level Quality Planning — Quality Management Plan (“QMP”)	7

5.4.3	Quality Control Plan (“QCP”)	7
5.4.4	Line QC (“LQC”) — Reports	7
5.4.5	New Product Introduction (“NPI”) QC — New Product Readiness Review (“NPRR”)	8
5.4.6	Production tracking & Report	8
5.4.7	Workmanship standards	9
	PCBAs workmanship will comply with IPC-A-610, Class 2 with Special SolarEdge requirements as follows:	9
5.4.7.1	SMT components: maximum overhangs, minimum joint width, minimum joint fillet height according to Class 3	9
5.4.7.2	TH components (Wave Solder): supportive hold solder according to Class 3	9
5.4.7.3	Up to 3 times Rework is allowed under the follow conditions: No PCB pads and traces Redwork of fine pitch and BGA, Maximum two times replacement on same PCB location	9
	PCBAs workmanship will comply with IPC-600, Class 2 with Special SolarEdge requirements DOC-SP-00001. Wiring and cable assembly have to be manufactured and tested according to IPC/WHMA 620 Class 2	9
5.4.8	Traceability	9
	Full traceability capabilities from product S/N down to item manufacturer lot number/date code and vice versa, from item manufacturer lot number/date code to Product S/N incorporated into the Shop Floor data system	9
5.4.9	Data Analysis (Line Quality Monitoring)	9
5.4.10	Verified Line Reject Rate (VLRR) tracking	9
5.4.11	Line Corrective Actions	10
5.4.12	Employee Trainings	10
5.4.13	CIP	10

5.4.14	BPI	11
5.4.15	Customer Complaints — RMA	11
5.4.16	Production Process / Component Failure, Analysis	11
5.4.17	FAI	11
5.4.18	IQC	11
5.4.19	Process Control	12
5.4.20	PCN	12
5.4.21	Process Materials	12
5.4.22	Compliance with “Material Restricted for Use” requirements; RoHS	12
5.4.23	Vendor Authorization	12
5.5	QUALITY GOALS	13
5.5.1	Yields	13
5.5.2	Customer Return Rate (RMA)	14

1. Purpose

The purpose of this document is to define the Quality Assurance relates tasks and responsibilities of Jabil (hereinafter also referred to as “Contract Manufacturer” and “Sub-Contractor”), which are required to meet SolarEdge (hereinafter also referred to as “Customer”) and its customer’s quality policy and quality goals.

2. Scope

This document covers CM task and responsibilities carrying out any SolarEdge program, with regards to the following issues

- 2.1 QUALITY ASSURANCE MANAGEMENT TEAM
- 2.2 CONFORMANCE WITH INTERNATIONAL QUALITY ASSURANCE STANDARDS
- 2.3 INFRASTRUCTURES
- 2.4 SERVICES
- 2.5 QUALITY GOALS

3. Referenced Documents

3.1 DOCUMENTS

- 3.1.1 ISO 9001
- 3.1.2 ISO 14001
- 3.1.3 OHSAS 18001
- 3.1.4 RoHS Directive
- 3.1.5 REACH Directive

4. Definitions

4.1 DEFINITIONS

Table 1: Terms and Definitions

Term	Definition
AOI	Automatic Optical Inspection
BOM	Bill Of Material
BPI	Business Process Improvement
CAPA	Corrective Action Preventive Action
CIP	Continuous Improvement Plan
CLCA	Closed Loop Corrective Action
CSI	Customer Satisfactory Index
DCC	Document Control Center
ECN	Engineering Change Notice

Term	Definition
ECO	Engineering Change Order
EHS	Environmental Health and Safety
ET	Electrical Test

FA	Failure Analysis
FG	Finish Goods
FIFO	First In First Out
FQC	Final Quality Control
FW	Firm Ware
HW	Hard Ware
IMS	Integrate Management System
IMTE	Inspection Measurement and Test Equipment
IQC	Incoming Quality Control
JQE	Joint Quality Engineer
LQC	Line Quality Control
MP	Mass Production; any production following NPI and NPRR
NPI	New Product Introduction; the process of checking the production line readiness for the first time assembly by small scale (100-300 devices per type) production.
NPRR	New Release Readiness Review; the process of checking the production line readiness by large scale (500-1000 devices per type) production.
OBA	Out of BOX Audit
PCN	Process Change Notification
PLC	Product Life Cycle
PLM	Product Life Management
PMP	Production Management Plan
PPAP	Production Part Approval Process; on Mechanical parts etc.
QBR	Quarterly Business Review
QCP	Quality Control Plan
QMP	Quality Management Plan
REACH	The European Union's Registration, Evaluation and Authorization of Chemicals
RoHS	Directive 2002/95/of the European Parliament on the restriction of the use of Certain Hazardous Substances in Electrical and Electronic Equipment.
SPC	Statistical Process Control
SQE	Supplier Quality Engineer
SW	Soft Ware
VLRR	Verified Line Rejection Rate

5. Requirements

5.1 QUALITY ASSURANCE MANAGEMENT TEAM

The Contract Manufacturer shall appoint the following functions to be available for SolarEdge production line at all times:

5.1.1 QA Manager — Contract manufacturing company management level

Relevant Academic Degree, at least 10 years of experience in managing QMS and QA department. Implementation of ISO 9001, ISO 14001, OHSAS 18001.

4

5.1.2 Quality Engineer/s at Factory level.

Relevant Academic Degree, at least 5 years experience in electronic manufacturing Supplier QE, EHS QE, Knowledge in providing and infrastructure of ISO 9001, ISO 14001, OHSAS 18001, at least 5 years experience as QE.

5.1.3 Joint Quality Engineer (JQE).

Senior Quality Engineer, assign specifically to SolarEdge project to monitor, analyze, lead Contract manufacturer improvement plans and provide results to SolarEdge QA. Relevant Academic Degree, at least 5 years experience in manufacturing in SMT, Solder Wave and Assembly lines, Knowledge in providing and infrastructure of ISO 9001, ISO 14001, OHSAS 18001, at least 5 years of experience as QE.

5.1.4 QC Member (as many as needed)

IPC-A-610 Certified, at least 3 years experience in manufacturing in SMT, Solder wave and Assembly lines or equivalent experience as an inspector in production lines.

5.1.5 SolarEdge QE

SolarEdge have the right to locate at the Contract manufacturer on site QE (as many as needed).

5.2 CONFORMANCE WITH INTERNATIONAL QUALITY ASSURANCE STANDARDS

Contract Manufacturer facilities should conform and be certified to:

5.2.1 ISO 9001

5.2.2 ISO 14001 Environmental management

5.2.3 OHSAS 18001 Health and Safety

5.2.4 International standards regarding Social Audit Requirements or Global Citizen Partnership (“GCP”).

5.3 INFRASTRUCTURES

The Contract Manufacturer agrees utilize the following infrastructure:

5.3.1 Quality System

According to the requirements of ISO 9001.

5.3.2 Document Control System

Maintain a Document Control Center (“DCC”) which controls all documentation activities in the company as described in the Contract Manufacturer data and document control QA procedure.

5.3.3 Corrective Action System

Maintain a Closed Loop Corrective Action (“CLCA”) System.

5

5.3.4 Product (per P/N and Revision) Configuration Control System

Using PLM as Agile or equivalent available system.

5.3.5 Shop Floor Production Control System

Enabling online data gathering on production yields and status as well as past performance.

Shop Floor system should gather the data from each production and QC stations of the entire process flow stations such as: SMT, AOI, VI, OBA, X-RAY, Solder Wave, VI, OBA, Cleaning, Ion contamination QC, Conformal Coating, Conformal Coating Thickness QC, Assembly, Torque measurement and count, Sealing QC, Packing, OBA.

The system should prevent escape in case the defined process station reported as fail.

This monitoring system records should be Soft Copy data and will be retained as defined in the Contract Manufacturer quality record control QA procedure.

The Contract Manufacturer is committed to provide a backup Shop floor system (or server) which will insure running Shop floor system at all time. The Contract Manufacturer is committed to stop-line when Shop floor system is down.

5.3.6 Data Retention

Contract Manufacturer will keep all data records related to SolarEdge in soft copy for minimum of 3 years.

Contract manufacturer to provide the records to SolarEdge upon expiry date.

5.3.7 Inspection Measurement and Test Equipment (“IMTE”)

The Contract Manufacturer will gain and hold all required IMTE including Work Instructions (“WI”), forms and templates.

5.3.8 Customer Owned Equipment

The Contract Manufacturer will gain and hold all Customer Owned Equipment like special tools for testing, manufacturing and handling. This is applicable to all Hardware (“HW”), Software (“SW”), Firmware (“FW”) or any combination therefore.

5.3.9 Environmental tests facilities

Test Facilities (either own or accessible approved lab): Climatic chambers, Vibration/Shock machines — this equipment), must apply to SolarEdge requirements set by SolarEdge QE representative and must be approved by him.

5.3.10 Reliability Test Facility

The Contract Manufacturer will conduct an Ongoing Reliability Test (“ORT”) according to Product test procedure provided by SolarEdge.

5.3.11 Labs for RoHS and Chemical Analysis

The Contract Manufacturer must hold in its premises or at nearby third party (vendor) to provide ability of chemical analysis of all materials in SolarEdge components Bill of Material (“BOM”).

6

5.4 SERVICES

5.4.1 Audits

- 5.4.1.1 *Contract Manufacturer will perform internal audits on its Integrate (quality/Safety/environmental) Management System (“IMS”) and Production Line, based on annual audit plan approved by the Contract Manufacturer QA Manager.*
- 5.4.1.2 *Contract Manufacturer agrees to be audited as any time to its IMS and Production Line by any SolarEdge representatives, Third party assigned by SolarEdge, periodic audits performed by the certification labs or their official representatives such as ETL, VDE, TUV and UL on periodic bases and by SolarEdge customers. In any case any third party audit conducted by one of SolarEdge Customers will be followed by SolarEdge representative.*
- 5.4.1.3 *Contract Manufacturer internal audits (on IMS or SolarEdge Production Line) reports will be retained according to the Contract Manufacturer quality record control procedure and will be subject for SolarEdge review at any time.*
- 5.4.1.4 *In case the production floor is shared with other programs (in the production line, warehouse or any other area therefore),all items and documentation would be subject for audit by SolarEdge or any third party by SolarEdge including SolarEdge customer.*

5.4.2 High Level Quality Planning — Quality Management Plan (“QMP”).

- 5.4.2.1 *SolarEdge will provide a QMP for every product or product family of SolarEdge detailing the specific requirements for this product or product family. The minimum requirements would be (Statistical Process Control (“SPC”) data, Cpk on critical processes. Verified Line Rejection Rate (“VLRR”) level for critical components, handling of nonconformities, material level and any other requirement set by SolarEdge QE.*

5.4.3 Quality Control Plan (“QCP”)

- 5.4.3.1 *Any production line will be accompanied by a QCP document which will be provided by SolarEdge QE and agreed upon by Contract Manufacturer QA Manager. The Contract Manufacturer agrees not to start Mass Production (“MP”) without the QCP document.*
- 5.4.3.2 *The QCP document scope would detail as minimum Control Chart, Control Table (built according to the QS 9000 structure), Stop-Line/Stop-Ship Criteria, General requirements and sampling programs and plans.*
- 5.4.3.3 *The Contract Manufacturer will prepare a Production Management Plan (“PMP”) detailing all WI and procedures on every station in the production line, from Incoming Quality Control (“IQC”) for received goods from AVL suppliers until shipment. The PMP is set by referring to the applicable QCP.*

5.4.4 Line QC (“LQC”) — Reports.

- 5.4.4.1 *Unless otherwise specified, the Contract Manufacturer is required to provide the following production reports:*

Report Name	Frequency	Scope
Yields Report	Daily/Weekly/Monthly	Daily monitoring data on yields at SMT, Solder

Report Name	Frequency	Scope
		Wave, Manual Soldering, ET Stations, LQC, Improvement plans and Total Production Line.
Defective Parts Per Million (“DPPM”) Report (Pareto Charts)	Weekly	Pareto Analysis of SolarEdge Products Production Line Failures. The report includes DPPM Analysis and VLRR on critical components, Improvement plans for top 3 issues.
Material Review Board (“MRB”) Room Status Report	Weekly	Status of segregated critical components and SolarEdge products [Finish Goods (“FG”) and Printed Circuit Board Assembly (“PCBA”)]. Quantity, Batches, Failure reasons (error codes) and CAPA.
SPC Analysis	Weekly	Report Analyzing all SPC points in the production line and Cpk calculations
IQC On Critical Components	Monthly	Monthly report on failures during incoming inspection of critical components of SolarEdge Products including: FA, Vendor CAR and action plan
ORT Report	Weekly	Includes: HASS and Temperature Cycling under functional test on SolarEdge production line samples of all relevant technologies.

5.4.5 New Product Introduction (“NPI”) QC — New Product Readiness Review (“NPRR”)

- 5.4.5.1 *Any NPI at Contract Manufacturer premises includes at least a full NPRR Process set by the Contract Manufacturer and controlled by SolarEdge representative unless otherwise is decided upon by SolarEdge representative.*
- 5.4.5.2 *The minimum requirements for the NPRB are set by SolarEdge and reviewed by mutual team providing readiness proof for MP for the specific product or product family.*
- 5.4.5.3 *Contract Manufacturer is required to provide all relevant documentation which enables SolarEdge approve the MP for that particular product or product family.*
- 5.4.5.4 *For any new mechanical ID or any change of mechanical parts for any of SolarEdge products the Contract Manufacturer is required to provide a PPAP report from its vendor detailing the full compliance to the applicable quality requirements.*

5.4.6 Production tracking & Report

- 5.4.6.1 *The Contract Manufacturer is required to provide the following reports:*

Report Name	Frequency	Scope
Engineering Change Order (“ECO”) Status Report	Weekly	Description of the status of all SolarEdge ECO and Document Change Order (“DCO”) at Contract Manufacturer on all products.
SolarEdge Corrective Action Request (“CAR”) Status	Weekly	A list of all corrective actions 6 months past until today and their statuses and progress.
Contract Manufacturer CAR Status	Weekly	A list of all corrective actions initiated by the Contract Manufacturer, 6 months past until today and their statuses and progress.
Failure Analysis (“FA”) Report	Ongoing	According to the FA methodology and 8D report Methodology using SolarEdge Template or

8

Report Name	Frequency	Scope
Production Line Monthly Summary	Monthly	Contract manufacturer Template subjected to SolarEdge QE approval. General Summary and Analysis of SolarEdge Production Line including: Yields (Per product and per technology), Failure Analysis, Nonconformities, Continuous Improvement Plan (“CIP”) Progress, Business Process Improvement (“BPI”) Progress, Changes and SPC Statistics (e.g. Solder Paste Cpk), Production Part Approval Process (“PPAP”) on Mechanical parts etc.

5.4.6.2 *All the reports mentioned above as well as those mentioned at the LQC paragraph, will be provided at the frequency mentioned with a three (3) days buffer unless otherwise decided upon or approved by SolarEdge QE.*

5.4.7 Workmanship standards

PCBAs workmanship will comply with IPC-A-610, Class 2 with Special SolarEdge requirements as follows:

5.4.7.1 SMT components: maximum overhangs, minimum joint width, minimum joint fillet height according to Class 3.

5.4.7.2 TH components (Wave Solder): supportive hold solder according to Class 3.

5.4.7.3 Up to 3 times Rework is allowed under the follow conditions: No PCB pads and traces Rework of fine pitch and BGA, Maximum two times replacement on same PCB location.

PCBs workmanship will comply with IPC-600, Class 2 with Special SolarEdge requirements DOC-SP-00001.

Wiring and cable assembly have to be manufactured and tested according to IPC/WHMA 620 Class 2.

5.4.8 Traceability

[* * *] from [* * *] to [* * *] and vice versa, [* * *] to [* * *] .

5.4.9 Data Analysis (Line Quality Monitoring)

5.4.9.1 *The Contract Manufacturer JQE is required to daily and weekly review of the production line statistics and reports, to analyze this data and initiates a FA and correction/corrective actions accordingly in order to meet SolarEdge DPPM and VLRR goals (e.g. review weekly the process statistics and review the Cpk analysis and provide proper actions to meet the Cpk requirement).*

5.4.10 Verified Line Reject Rate (VLRR) tracking

5.4.10.1 *The Contract Manufacturer JQE is required to provide an analysis of line VLRR on critical components from IQC to shipment in a timely manner. It is the*

9

responsibility of the Contract Manufacturer JQE to initiate all actions enabling compliance to the applicable quality requirements and goals.

5.4.10.2 *VLRR tracking is done by evaluating failures at IQC, SMT line, Solder wave, Rework Station, manufacturing station, Testing stations and FQC.*

5.4.11 Line Corrective Actions

5.4.11.1 *Regardless to the requirement to gain and hold a Corrective Action System, the Contract Manufacturer is required to provide a corrective action plan to the production line and fully apply to the CLCA requirements set at the Contract Manufacturer premises.*

5.4.11.2 *All Production line CLCA reports are reviewed and approved by the Contract Manufacturer QA Manager.*

5.4.12 Employee Trainings

5.4.12.1 *In general it is required that the Contract Manufacturer will maintain and implement an employee training QA procedure.*

5.4.12.2 *QA Manager and Production Manager, will determine the kind of training each employee needs to fully perform his/her job will be during the course of the year*

5.4.12.3 *The training needs, in terms of subject and length, for each employee will be determined in the following subjects:*

- o General Company policies and procedures and QA procedures that apply to all employees in the Company.
- o The general Company policies and procedures and QA procedures, work instructions and forms applicable to the employee's profession or to the entire field in which s/he works.
- o Technical and professional knowledge specific to the employee's work.
- o Other topics as needed.

5.4.12.4 All training records are retained as required by the Contract Manufacturer record control QA procedure.

5.4.13 CIP

5.4.13.1 *The Contract Manufacturer agrees to follow and initiate a continuously CIP at production line. It is the responsibility of the Contract Manufacturer to take the CIP into closer until approved at the effectiveness check after an initiated Corrective Action (CLCA).*

5.4.13.2 *The Contract Manufacturer is required to have at least one CIP every two quarters (6 months).*

10

5.4.14 BPI

5.4.14.1 *The supplier is required to cooperate with SolarEdge to imply a Business Process Improvement (BPI). The BPI be initiated with purpose of achieving cost benefit and high quality level*

5.4.15 Customer Complaints — RMA

5.4.15.1 *The Contract Manufacturer will maintain a customer complaint procedure and follow it.*

5.4.15.2 *Regardless and with respect to the above mentioned the Contract Manufacturer is required act to fulfill SolarEdge requirements in that area in cases of urgent treatment. Such cases are defined as cases where a complaint was brought up by the customer and a FA and CLCA activities are required.*

5.4.15.3 *In cases of which FA and CLCA activities are required the Contract Manufacturer will act following this timeline:*

- o Interim action within 24 hours
- o 8D report within 72 hours
- o FA report after one (1) working week
- o Corrective Action Plan 48 hours after the FA report was delivered

5.4.16 Production Process / Component Failure, Analysis

5.4.16.1 *The Contract Manufacturer JQE is required to analyze production data from production process and components failures or nonconformities on a daily/weekly basis.*

5.4.16.2 *It is the responsibility of the Contract Manufacturer to bring all production and component conditions into normal when nonconformity occurs in the course of the analysis done by the Contract Manufacturer JQE (Process SPC should give results of Cpk of 1.6. When the Cpk is out of spec at the end of one shift or production day, the QE has to analyze, identify the problem and initiate a FA which will bring to a correction/corrective action in order to bring conditions into normal).*

5.4.17 FAI

5.4.17.1 *The supplier will conduct First Article Inspection (FAI) on critical components. List of critical components will be supplied by SolarEdge QA per each product or group of products. The FAI will cover the functional, environmental, reliability testing as well as RoHS certification and dimensional analysis, when applicable Production Parts Approval Process (PPAP) will be completed as part of the FAI.*

5.4.18 OQC

5.4.18.1 Contract Manufacturer will conduct IQC for all SolarEdge items according to AQL=0.65.

11

5.4.19 Process Control

5.4.19.1 The Contract manufacturer will implement production process control measurements with SMT Reflow profile and Solder Wave profile measurements before start production, AOI 100% for SMT, X-Ray of Lead Less components and BGA according to sample 0.2%, Conformal Coating thickness sample 3 times during production batch, PCBA ion contamination after cleaning

process 1 time per production batch, Product sealing sample 1%, monitor the process materials and react with correction action in case any of the results are out of control limits.

5.4.20 PCN

5.4.20.1 The Contract Manufacturer shall issue 3 month in advance a formal PCN request for any Production Process Change for SolarEdge approval.

5.4.21 Process Materials

5.4.21.1 “Process Materials for Soldering, Fluxing, Cleaning and Conformal Coating according to Jabil production process and SolarEdge Approval”

5.4.22 Compliance with “Material Restricted for Use” requirements; RoHS.

5.4.22.1 *All process materials and BOM components used should meet RoHS requirements. The requirements regarding restricted materials are defined in European Directive 2002/95/EC (RoHS).*

5.4.23 Vendor Authorization

5.4.23.1 *The Contract Manufacturer will have an approved, effective and efficient system to recruit and monitor its suppliers/vendors/Sub-Contractors.*

5.4.23.2 *The methodology of which a Contract Manufacturer chooses and controls its suppliers/vendors/Sub-Contractors can be subject for SolarEdge or its customers review and audit.*

5.4.23.3 *The Contract Manufacturer is SolarEdge first tier supplier.*

5.4.23.4 *All sub-tier suppliers for any of the components on SolarEdge products BOM must be on the Approved Lender List (“AVL”) provided by SolarEdge.*

5.4.23.5 *Contract Manufacturer will notify SolarEdge Quality Engineering within 30 days prior to changes on its AVL.*

5.4.23.6 *The Contract Manufacturer will manage its sub-tier supplier quality system. The Contract Manufacturer agrees to provide a plan which will point out of the contorts and monitoring methods on all of SolarEdge BOM suppliers.*

5.4.24 QBR-CSI

Contract Manufacturer will provide CSI (Customer Satisfactory Index) for SolarEdge grading to the expectation of the services supplied by the Contract Manufacturer.

SolarEdge Representatives from Operations and QA will have QBR (Quarterly Business Review) meetings with Contract manufacturing management (Operations and QA) for all expectations alignments.

5.5 QUALITY GOALS

5.5.1 Yields

Below tables describe the requirements for First Pass Yields (“FPY”) in different PLC and line failure goals and mandatory requirements:

	NPI-PowerBox						
	AOI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Alert	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Stop Production	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

	NPRR-PowerBox						
	AOI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Alert	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Stop Production	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

	MP-PowerBox						
	AOI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Alert	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Stop Production	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

	NPI-Inverter							
	AOI	TH VI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Alert	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]
Stop Production	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]	[* * *]

	NPRR-Inverter							
	AOI	TH VI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Alert	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Stop Production	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

	MP-Inverter							
	AOI	TH VI	ICT	FT	HIPot	Sys FT	BI	Final Inspection
Target	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Alert	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Stop Production	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

5.5.2 Customer Return Rate (RMA)

Return rate due to actual failure shall be less than [***]. Whenever the supplier fails to meet this goal, FA and corrective action plan should be carried on.

Table of shipment \ storage cost

From (production facility) \ To (Logistic Hub)	US — west coast								US — east coast							
	Air				Sea				Air				Sea			
	Inverter box	PB box	Inverter pallet	PB pallet	Inverter pallet	PB pallet	container 20"	container 40"	Inverter box	PB box	Inverter pallet	PB pallet	Inverter pallet	PB pallet	container 20"	container 40"
China					na	na	[***]	[***]					na	na	[***]	[***]
Poland					na	na	[***]	[***]					na	na	[***]	[***]

Cost of storage at HUN (per square meter). The Hubbing costs are \$[***] per pallet in/out/storage per mo. So if we convert this to a rate per Sq meter of storage per month assuming [***] per mo turnover the rate per Sq meter/mo for pure storage is \$[***] but total cost per Sq meter with in/out and storage is \$[***].

The Hubbing costs are \$[***] per pallet in/out/storage per mo. So if we convert this to a rate per Sq meter of storage per month assuming [***] per mo turnover the rate per Sq meter/mo for pure storage is \$[***] but total cost per Sq Meter with in/out and storage is \$[***].

Europe — Germany (Munich preferred)

Air				Sea			
Inverter box	PB box	Inverter pallet	PB pallet	Inverter pallet	PB pallet	container 20"	container 40"
				na	na	[***]	[***]
				na	na	na	na

Munich	Venlo	Trieste	Milan
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Europe — Italy (Milan \ Trieste)								Europe - Holland							
Air				Sea				Air				Sea			
Inverter box	PB box	Inverter pallet	PB pallet	Inverter pallet	PB pallet	container 20"	container 40"	Inverter box	PB box	Inverter pallet	PB pallet	Inverter pallet	PB pallet	container 20"	container 40"
				na	na	[***]	[***]					na	na	[***]	[***]
				na	na	na	na					na	na	[***]	[***]

Munich	Venlo	Trieste	Milan	Munich	Venlo	Trieste	Milan
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

Assumption: All prices discussed so far are ex works China \ Poland. In case we want additional services we should add:

	China	Poland	US-west	US-east	Europe — Germany	Europe — Italy	Europe — Holland
Logistics handling	see above	see above	see above	see above	see above	see above	see above
Shipment cost	see above	see above	see above	see above	see above	see above	see above
Duties	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Storage cost	see above	see above	see above	see above	see above	see above	see above
Financial cost of inventory	not included	not included	not included	not included	not included	not included	not included

Dimensions

Single Phase Inverter (1 unit per box)

Box: 68*40*40 (1 unit per box)

Pallet: 100*70*135 (Air)

Pallet: 100*70*175 (Sea)

Power Box (up to S in a box)

Box: 37*37*29

Pallet: 120*80*160

**SCHEDULE 2
TO MANUFACTURING SERVICES AGREEMENT
BETWEEN JABIL AND COMPANY**

CURRENT POLICY

- 1) Jabil will invoice in US dollars as agreed with Company in Section 7.1 of the Agreement, and remain fixed in that currency unless otherwise mutually agreed by both parties in writing.
- 2) For materials that are purchased outside of the currencies identified in Section 7.1 of the Agreement, pricing will be reset quarterly based on calendar quarters.
- 3) Currency process:
 - a. On or before the third Monday of each calendar month, Company will inform Jabil of purchase volumes per site for month +1, +2 and +3, from the Build Schedule Forecast as specified in Section 3 of the Agreement.
 - b. For the purpose of establishing invoice prices, the exchange rates will be derived from the sources specified in paragraph 5 below on the second to last Thursday of the last month of each calendar quarter (i.e. March, June, September and December).
 - c. In case Company has not delivered the information as per 3(a), Jabil shall take the information as communicated during previous month unless this information is in the meantime changed and communicated to Jabil in writing.
 - d. Jabil will inform the Company outsourcing or relationship manager on a monthly basis if the Company organization is not complying with 3(a).
- 4) Every three (3) months, Jabil and Company will meet to establish the invoice prices for the next three (3) month period. The invoice prices are established based on the following principles:
 - a. Bill of Material components and Value Add, which are priced in various currencies are recalculated into the invoicing currency at the exchange rates as established under paragraph 5 below.
 - b. In general, the parties agree that under the Agreement, there will be a reconciliation process for realized foreign currency gains and losses which will be based on such gains and losses exceeding XX.0% for the Calendar Quarter.
- 5) Calculation method:
 - a) All references to “month” in this section shall be read as “calendar month.”
 - b) The following details how certain currencies will be established:

Euro Based Currencies

The Euro outright forward contract rates are calculated as follows (i) spot rate against Euro as defined by the European Central Bank (www.ECB.int) as at the second to last Thursday of the month plus (ii) the average forward points for two (2) months as calculated by the difference between forward minus spot rate from the table “Euro Spot Forward Against the Euro” published by the Financial Times (“FT”) on the second to last Thursday of the month for the closing values of the second to last Wednesday of the month of WM/Reuters. The average rate is determined from the one (1) month and three (3) month forward rates divided by two based on the FT.

Manufacturing Services Agreement

United States Dollar Based Currencies

Rates against United States Dollar are calculated as follows (i) spot rate against United States Dollar calculated through cross rate based on the rate as defined by the European Central Bank (www.ECB.int) as at the second to last Thursday of the month plus (ii) the average forward points for two (2) months as calculated by the difference between forward minus spot rate from the table “Dollar Spot Forward Against the Dollar” published by the FT on the second to last Thursday of the month for the closing values of the second to last Wednesday of the month of WM/Reuters. The average rate is determined from the one (1) month and three (3) month forward rates divided by two based on the FT.

Indian Rupee

Rates for Indian Rupees are calculated as follows (i) spot rate against United States Dollar or Euro as defined by the Reserve Bank of India (www.rbi.org.in) as at the second to last Thursday of the month plus (ii) average forward points for two (2) months as calculated by the difference between forward minus spot rate from the table “Dollar Spot Forward Against the Dollar” or “Euro Spot Forward Against the Euro”, respectively (as applicable), published by the FT on the second to last Thursday of the month for the closing values of the second to last Wednesday of the month of WM/Reuters. The average rate is determined from the one (1) month and three (3) month forward rates divided by two based on the FT.

Brazilian Real

The Brazilian Real is an exception. The forward rates will be as published on the second to last Thursday of the month by Bolsa de Mercadorias e Futuros (“BMF”) (www.bmf.com.br) for the referential rates of exchange of Brazilian Real against United States Dollar as at the second to last Wednesday of the month. The average rate is determined from the one (1) month, two (2) month and three (3) month forward rates divided by three based on the BMF rates.

The spot for Brazilian Real, if necessary, will be calculated as the average between bid and offer rates as published by the Central Bank of Brazil (www.bcb.gov.br) for the closing rate for the exchange of Brazilian Real against United States Dollar as at the second to last Wednesday of the month.

Mexican Peso

The spot rate for Mexican Peso, if necessary, will be established as the Auction Exchange Rate as published by the Bank of Mexico (www.banxico.org.mx) for the Average closing rate for the exchange of Mexican Peso against the United States Dollar as at the second to last Wednesday of the month plus (ii) average forward points for two (2) months as calculated by the difference between forward minus spot rate from the table “Dollar Spot Forward Against the Dollar” or “Euro Spot Forward Against the Euro”, respectively (as applicable), published by the FT on the second to last Thursday of the month for the closing values of the second to last Wednesday of the month of WM/Reuters. The average rate is determined from the one (1) month and three (3) month forward rates divided by two based on the FT.

Malaysian Ringgit

Rates for Malaysian Ringgits are calculated as follows (i) spot rate against United States Dollar or Euro as the Latest Published Rate at 1600 HR published by the Bank of Negara Malaysia (www.bnm.gov.my) as at the second to last Thursday of the month plus (ii) average forward points for two (2) months as calculated by the difference between forward minus spot rate from the table “Dollar Spot Forward Against the Dollar” published by the FT on the second to last Thursday of the month for the closing values of the second to last Wednesday of the month of WM/Reuters. The average rate is determined from the one (1) month and three (3) month forward rates divided by two based on the FT. The Euro forward points will be calculated from the cross rates of United States Dollar and Euro forward rates.

Chinese Renminbi

Rates for the Chinese Renminbi will be determined via a mutually agreeable process until publicly available websites are able to provide both the spot and forward rates as applicable.

Other Currencies

For other currencies not defined above, a mutually agreed process of establishing such rates will be defined.

INV	INV 40		Notes for all quantities
BOM		[* * *]	BOM includes [* * *] and does not [* * *].
Fre-in		[* * *]	Included in the BOM
Duty		[* * *]	Calculated as per duties calculation tab
	Sub-Ttl	[* * *]	
MAT OH		[* * *]	as detailed in the SoW
SMT		[* * *]	
TH		[* * *]	
WASH		[* * *]	included in Labor and MFG OH (Material)
COAT		[* * *]	included in Labor and MFG OH (Material)
LABOR		[* * *]	As per [* * *]
TST		[* * *]	As per [* * *]
	Total	[* * *]	
MFG OH		[* * *]	
SGA		[* * *]	
Margin		[* * *]	
	EX W Price	[* * *]	
		[* * *]	
		[* * *]	
		[* * *]	

PB	PB 1250k		Notes for all quantities
BOM		[* * *]	BOM includes [* * *] and does not include [* * *].
Fre-in		[* * *]	Included in the BOM.
Duty		[* * *]	Calculated as per duties calculation tab
	Sub-Ttl	[* * *]	
MAT OH		[* * *]	as detailed in the SoW
SMT		[* * *]	
TH		[* * *]	
WASH		[* * *]	included in Labor and MFG OH (Material)
COAT		[* * *]	included in Labor and MFG OH (Material)
LABOR		[* * *]	As per [* * *]
TST		[* * *]	As per [* * *]

MFG OH	Total	[* * *]	[* * *]
SGA		[* * *]	[* * *]
Margin		[* * *]	[* * *]
	EX W Price	[* * *]	[* * *]
		[* * *]	[* * *]
		[* * *]	[* * *]

INV	INV up to 25k	INV	INV 25k	INV	INV 30k
BOM	[* * *]	BOM	[* * *]	BOM	[* * *]
Fre-in	[* * *]	Fre-in	[* * *]	Fre-in	[* * *]
Duty	[* * *]	Duty	[* * *]	Duty	[* * *]
	Sub-Ttl		Sub-Ttl		Sub-Ttl
MAT OH	[* * *]	MAT OH	[* * *]	MAT OH	[* * *]
SMT	[* * *]	SMT	[* * *]	SMT	[* * *]
TH	[* * *]	TH	[* * *]	TH	[* * *]
WASH	[* * *]	WASH	[* * *]	WASH	[* * *]
COAT	[* * *]	COAT	[* * *]	COAT	[* * *]
LABOR	[* * *]	LABOR	[* * *]	LABOR	[* * *]
TST	[* * *]	TST	[* * *]	TST	[* * *]
	Total		Total		Total
MFG OH	[* * *]	MFG OH	[* * *]	MFG OH	[* * *]
SGA	[* * *]	SGA	[* * *]	SGA	[* * *]
Margin	[* * *]	Margin	[* * *]	Margin	[* * *]
	EX W Price		EX W Price		EX W Price

BOM / SELL %			
Landed BOM duties	[* * *]	[* * *]	[* * *]
BOM/SELL % Landed			
BOM	[* * *]	[* * *]	[* * *]
Annual revenue	[* * *]	[* * *]	[* * *]

PB	PB up to 500k	PB	PB 700k	PB	PB 1000k
BOM	[* * *]	BOM	[* * *]	BOM	[* * *]
Fre-in	[* * *]	Fre-in	[* * *]	Fre-in	[* * *]
Duty	[* * *]	Duty	[* * *]	Duty	[* * *]
	Sub-Ttl		Sub-Ttl		Sub-Ttl
MAT OH	[* * *]	MAT OH	[* * *]	MAT OH	[* * *]
SMT	[* * *]	SMT	[* * *]	SMT	[* * *]
TH	[* * *]	TH	[* * *]	TH	[* * *]
WASH	[* * *]	WASH	[* * *]	WASH	[* * *]
COAT	[* * *]	COAT	[* * *]	COAT	[* * *]
LABOR	[* * *]	LABOR	[* * *]	LABOR	[* * *]
TST	[* * *]	TST	[* * *]	TST	[* * *]
	Total		Total		Total
MFG OH	[* * *]	MFG OH	[* * *]	MFG OH	[* * *]
SGA	[* * *]	SGA	[* * *]	SGA	[* * *]
Margin	[* * *]	Margin	[* * *]	Margin	[* * *]
	EX W Price		EX W Price		EX W Price

BOM / SELL %			
Landed BOM duties	[* * *]	[* * *]	[* * *]
BOM/SELL % Landed			
BOM	[* * *]	[* * *]	[* * *]
Annual revenue	[* * *]	[* * *]	[* * *]

	Process	P Box	Inverter	Remark
Labor	Main System / Inverter Assy	[* * *]	[* * *]	
Labor	Cover / Sub Assy Preparation	[* * *]	[* * *]	
Labor	Cables / Comp Preperation	[* * *]	[* * *]	
Labor	Sub Assy 3	[* * *]	[* * *]	
Testing	FVT2 (Box Build-Final Test)	[* * *]	[* * *]	Assume [* * *]model is [* * *]divided by [* * *]
Testing	[* * *]	[* * *]	[* * *]	[* * *]
Testing	Identity	[* * *]	[* * *]	[* * *]
Testing	[* * *]	[* * *]	[* * *]	[* * *]

Labor	Materials Handling	[** *]	[** *]	Including [** *]
Testing	Audit	[** *]	[** *]	Including [** *]
Labor	Packing	[** *]	[** *]	[** *]
Testing	OBA	[** *]	[** *]	
Testing	Diagnostic	[** *]	[** *]	[** *]
Labor	Repair	[** *]	[** *]	[** *]
	Labor Time	[** *]	[** *]	
	Test Time	[** *]	[** *]	

Quote Data Summary	PB	Inverter			Remark
SMT Component	[** *]	[** *]	Original	Original	
TH Component	[** *]	[** *]	Quote	Quote	
Labor Time	[** *]	[** *]	[** *]	[** *]	
Test Time	[** *]	[** *]	[** *]	[** *]	[** *]

The original quote is used for the calculation of the [** *] and [** *]. Calculations in column [** *] and [** *].

Category	Process	1078C-GNT(single)	1020F-DGV(double)	1026E-PVS(single)	1044C-PRT(double)	1046B-DCP(single)	Remark
SMT	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	For Inv, the total SMT comp is [** *]
TH	[** *]						For Inv, the total TH comp is [** *]
Labor	[** *]						There was [** *] prefit comp, each [** *] to fit [** *]
Labor	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	
Labor	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	
Testing	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	Need AXI, and AXI time is per sample size
Testing	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *] is [** *] divided by [** *]
Testing	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *] is [** *] divided by [** *]
Labor	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *] is only [** *]
Labor	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *] is [** *], with [** *]
	Labor Time	[** *]	[** *]	[** *]	[** *]	[** *]	
	Test Time	[** *]	[** *]	[** *]	[** *]	[** *]	

	PB Quote Rate				INV Quote Rate			
	up to 500k	700k	1kk	1,2kk	up to 25k	25k	30k	40k
SMT Rate/pla	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]
TH Rate/pla	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]
Labor Rate/H	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]
Test rate/H	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]	[** *]

Remarks

SMT rate includes all expenses that relate to the SMT process including, but not limited to labor, machine depreciation and maintenance, consumable materials, etc. SMT also includes costs related to the Aol process and X-ray samples as detailed in the QA document.
 TH rate includes all expenses that relate to the TH process including, but not limited to labor, machine depreciation and maintenance, consumable materials, etc. TH also includes costs related to the QC and touch up processes.
 Labor rate includes all costs, both direct and indirect, related to the manufacturing, assembly and packing of the Products.
 Test rate includes all costs, both direct and indirect, related to the testing (burn in, functional testing, ICT)required for the proper manufacturing, assembly and packing of the Products, all as detailed in the SoW and its attachments.

The rates herein are comprehensive and comprise all rates related to the tasks detailed herein.
 Labor and test rates relate to cycle times and are calculated based on actual labor times, taking into account parallel work. Machine time is not an indication or calculator of labor times.

SMT NRE

Item	Description	Comments	USD
1	SMT software	Lifespan of 50k prints	[** *]
	Solder Paste Printing Stencil		
2	Vacuum Plate	Solder paste printing support	[** *]
3	Support Template	Board support for printers and placers	[** *]
4	Wave Solder Pallet	Component coverage during wave soldering	[** *]
5	Solder Fountain Rework Nozzle	Customized/Standard nozzle for thru-hole component rework using solder pot	[** *]
6	Inspection Templates	Visual inspection template	[** *]
7	Depanelling Fixture (Manual/Router)	Board routing support	[** *]
8	Wash Cage/Pallet	Used during wash	[** *]
9	Pressfit Top Tooling	Pressfit	[** *]
10	Pressfit Base Tooling	Pressfit	[** *]
11	2nd Manual Solder Jig/Fixtures	2nd manual process special jigs/fixtures	[** *]
12	Conformal Coating Fixture	Board support for conformal coating	[** *]

Amounts of each 5MT NRE item shall be determined according to actual volume run rate and shall be approved by SolarEdge in advance.

Pricing conditions

1. The pricing is based on the exchange rates applicable on the Effective Date of the Agreement.
 2. Payment terms and Letter of Credit amount and terms to be reevaluated after two quarters and to be modified to net plus 60 days if:
 - COMPANY has paid on time all payables invoices of the period;
 - COMPANY volumes are materially in line with business plan as agreed by the parties on the signature date (attached hereby)
 - COMPANY is EBITDA profitable
 3. Letter of Credit required from COMPANY on [* * *] of the exposure including Long Lead Time according to the attached file. Check point after two quarters in order to verify if Letter of Credit can be removed as detailed above.
 4. At COMPANY's option, Jabil will provide logistics management solutions, at the price set forth below, including:
 - COMPANY order management (customer specific shipment with Kits configuration to order)
 - Shipment and documentation management (DDU)
 - Duties management (COMPANY to pay duties to be the importer of records)
 - Packaging material (pallet carton box (standard Jabil) for sea freight)
 - Regional hub warehouse costs according to COMPANY forecasted volumes (max 15 days), possibility in EU and US will be mutually agreed by the Parties

Logistic management solutions price:

 - Power Box — [* * *] of Jabil sell price per unit
 - Inverter — [* * *] Jabil sell price per unit
 - Freight and duties not included
 - See attached file "logistic additional services" for more details.
-

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated November 5, 2014 (except Note 16, as to which the date is February 17, 2015) in the Registration Statement (Form S-1) and the related Prospectus of SolarEdge Technologies Inc. dated February 17, 2015.

/s/ KOST FORER GABBAY & KASIERER

Kost Forer Gabbay & Kasierer
A Member of Ernst & Young Global

February 17, 2015
Tel-Aviv, Israel

QuickLinks

[Exhibit 23.1](#)

[CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM](#)