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As filed with the Securities and Exchange Commission on March 11, 2015.

Registration No. 333-202159

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SOLAREDGE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**3674**	**20-5338862**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1 HaMada Street
Herziliya Pituach 4673335, 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.** **1 HaMada Street** **Herziliya Pituach 4673335, 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: o

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. o

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. o

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. o

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.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value $0.0001 per share	8,050,000	$18.00	$144,900,000.00	$16,837.38

(1) Includes shares of common stock that may be purchased by the underwriters upon the exercise of their option to purchase additional shares, if any.

(2) 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.

(3) Of this amount, $14,525.00 was previously paid in connection with the initial filing of this Registration Statement on February 18, 2015. The aggregate filing fee of $16,837.38 is being offset by the amount previously paid.

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.

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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 March 10, 2015

7,000,000 Shares

SolarEdge Technologies, Inc.

Common Stock

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

SolarEdge is offering 7,000,000 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 $16.00 and $18.00. 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 7,000,000 shares of common stock, the underwriters have the option to purchase up to an additional 1,050,000 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 ,2015.

Goldman, Sachs & Co. **Deutsche Bank Securities**

Needham & Company **Canaccord Genuity** **Roth Capital Partners**

Prospectus dated , 2015

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solaredge


Systems in
73 Countries
100,000
Monitored systems
Products sold in
38 Countries
8,300
Installers
5.1M
Power optimizers
shipped
222,0000
Inverters
shipped
360 Employees
Worldwide
SolarEdge regional HQ
SolarEdge sales office or sales presence
SolarEdge production site or logistical hub

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Through and including , 2015 (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 1.3 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 inverte 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 inverte 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 traditiona 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 sola 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 February 28, 2015, we have shipped approximately 5.1 million powe optimizers and 222,000 inverters. Approximately 100,000 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 fisca 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 tha is significantly outpacing the overall industry growth. According to GTM Research, a division of Greentech Media, Inc. ("GTM Research"), annual globa 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 a leader in the global MLPE market accordin 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 share of the United States residential market grew from 1.7% in 2012 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 continu 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 t continue to innovate with respect to our inverters and power optimizers to develop new and enhanced technologies and solutions that wi 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 th 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 1 HaMada Street, Herziliya Pituach 4673335, Israel an 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	7,000,000 shares
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to 1,050,000 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	38,065,042 shares (or 39,115,042 shares, if the underwriters exercise their option to purchase additional shares in full).
Use of proceeds	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 $107.9 million (or $124.5 million 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 $17.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus. 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."
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 December 31, 2014, and reflects or assumes:

- the completion of a 1-for-3 reverse split of our common stock effective prior to the time of this offering;
- the conversion of all outstanding shares of preferred stock into 28,247,923 shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of

preferred stock into warrants to purchase 187,671 shares of common stock upon 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 1,050,000 shares of common stock from us is not exercised; and
- the initial public offering price is $17.00, 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 reflec the issuance of:

- 6,201,291 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 $3.13 per share;
- 2,299,514 shares of common stock reserved for future grants or for sale under our compensatory stock plans; and
- 187,671 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
			(In thousands)	(unaudited)	
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)	$ (27,783)	$ (28,180)	$ (21,378)	$ (13,098)	$ 5,895

	As of December 31, 2014	
	Actual	As Adjusted(1)
	(In thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 23,774	$ 131,936
Total assets	133,287	239,615
Total debt	4,678	4,678
Total stockholders' equity (deficiency)	$ (128,703)	$ 120,082

(1) Reflects (1) the completion of a 1-for-3 reverse split of our common stock effective prior to the time of this offering, (2) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (3) the conversion of all outstanding shares of preferred stock into 28,247,923 shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of preferred stock into warrants to purchase 187,671 shares of common stock and (4) our sale of 7,000,000 shares of common stock in this offering at an assumed initial public offering price of $17.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting $8.3 million in underwriting discounts and commissions and estimated offering expenses of $2.8 million.

A $1.00 increase or decrease in the assumed initial public offering price of $17.00 per share of common stock would increase or decrease as adjusted cash and cash equivalents by $6.5 million, total assets by $6.5 million, and total stockholders' equity (deficiency) by $6.5 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	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.

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 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. Recently, contentious negotiations between the Pacific Maritime Association and the International Longshore & Warehouse Union 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. Prior to the time of this offering, we will effect a 1-for-3 reverse split of our common stock. Immediately prior to the closing of this offering, all outstanding shares of preferred stock will be converted into 28,247,923 shares of common stock and the outstanding warrants to purchase 563,014 shares of preferred stock will be converted into warrants to purchase 187,671 shares of 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 125,000,000 shares of common stock, of which 38,069,764 shares of common stock will be outstanding, 6,201,291 shares of common stock will be issuable upon the exercise of outstanding stock options and 187,671 shares of common stock will be issuable upon the exercise of outstanding warrants. All shares of our common stock will be subject to the lock-up agreements or market stand-off provisions described under "Shares Available for Future Sale." 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 28,247,923 shares of our common stock and 187,671 shares of common stock issuable upon the exercise of outstanding warrants, based on shares of common stock and warrants outstanding as of December 31, 2014, 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 $13.70 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 66^{2}/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 66^{2}/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 cyclicality 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 $107.9 million from our sale of the 7,000,000 shares of common stock offered by us in this offering (or $124.5 million 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 $17.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting $8.3 million in estimated underwriting discounts and commissions and estimated offering expenses of $2.8 million to be paid by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $17.00 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 $6.5 million, 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 $0.5 million 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 completion of a 1-for-3 reverse split of our common stock effective prior to the time of this offering, (2) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (3) the conversion of all outstanding shares of preferred stock into 28,247,923 shares of common stock and the conversion of outstanding warrants to purchase 563,014 shares of preferred stock into warrants to purchase 187,671 shares of common stock, upon closing of this offering and (4) our sale of 7,000,000 shares of common stock in this offering at an assumed initial public offering price of $17.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting $8.3 million in underwriting discounts and commissions and estimated offering expenses of $2.8 million.

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.

	As of December 31, 2014	
	Actual	As Adjusted(1)
	(In thousands, except share data)	
Cash and cash equivalents	$ 23,774	$ 131,936
Total debt	$ 4,678	$ 4,678
Preferred stock, $0.0001 par value; 90,093,796 shares authorized, 84,743,792 shares issued and outstanding, actual; 95,000,000 shares authorized, no shares issued and outstanding, as adjusted	$ 140,915	—
Stockholders' equity (deficiency):		
Common stock, $0.0001 par value; 41,666,666 shares authorized, 2,817,119 shares issued and outstanding, actual; 125,000,000 shares authorized, 38,065,042 shares issued and outstanding, as adjusted	*	$ 4
Additional paid-in capital	6,674	255,455
Accumulated other comprehensive loss	(161)	(161)
Accumulated deficit	(135,216)	(135,216)
Total stockholders' equity (deficiency)	$ (128,703)	$ 120,082
Total capitalization	$ 16,890	$ 124,760

* Represents an amount less than $1.00.

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $17.00 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 $6.5 million, 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 $0.5 million in underwriting discounts and commissions.

The actual number of shares of common stock to be outstanding following this offering is based on 2,817,119 shares of common stock outstanding as of December 31, 2014 and excludes:

- 6,201,291 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 $3.13 per share;
- 2,299,514 shares of common stock reserved for future grants or for sale under our compensatory stock plans; and
- 187,671 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 completion of a 1-for-3 reverse split of our common stock immediately prior to the time of this offering, (2) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the closing of this offering, (3) the conversion of all outstanding shares of preferred stock into 28,247,923 shares of common stock upon closing of this offering, (4) the issuance of 7,000,000 shares of common stock in this offering and (5) 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 $17.00 per share (the midpoint of the price range set forth on the cover of this prospectus), after deducting $8.3 million in underwriting discounts and commissions and estimated offering expenses of $2.8 million, the pro forma as adjusted net tangible book value as of December 31, 2014 would have been approximately $125.5 million, or $3.30 per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.73 per share to existing stockholders and an immediate dilution of $13.70 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		$ 17.00
Historical net tangible book value per share as of December 31, 2014	$ 6.25	
Pro forma decrease in net tangible book value per share as of December 31, 2014(1)	$ (5.68)	
Pro forma net tangible book value per share as of December 31, 2014	$ 0.57	
Increase in net tangible book value per share attributable to investors participating in this offering	$ 2.73	
Pro forma as adjusted net tangible book value per share, as adjusted to give effect to this offering	$ 3.30	
Dilution per share to new investors participating in this offering		$ 13.70

(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 $17.00 per share would increase (decrease) total consideration paid by new investors by approximately $6.5 million, 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 $0.5 million in underwriting discounts and commissions. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 100,000 in the number of shares offered by us would increase (decrease) total consideration paid by new investors by $1.6 million, assuming that the assumed initial public offering price remains the same, and after deducting an incremental $0.1 million 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 $17.00 per share, after deducting $8.3 million in underwriting discounts and commissions and estimated offering expenses of $2.8 million (in thousands, except share and per share amounts):

	Shares Purchased		Total Consideration		Weighted Average Price Per Share
	Number	Percent	Amount	Percent	
Assuming no exercise of the underwriters' option to purchase additional shares:					
Existing stockholders(1)	31,065,042	81.6%	$ 141,152	56.7%	$ 4.54
New investors(1)	7,000,000	18.4	107,870	43.3	15.41
Total	38,065,042	100.0%	249,022	100.0%	
Assuming full exercise of the underwriters' option to purchase additional shares:					
Existing stockholders	31,065,042	79.4%	$ 141,152	53.1%	$ 4.54
New investors	8,050,000	20.6	124,471	46.9	15.46
Total	39,115,042	100.0%	265,623	100.0%	

(1) The foregoing tables and calculations exclude (i) 6,080,116 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 $3.06 per share and (ii) warrants to purchase 563,014 shares of preferred stock (representing 187,671 shares of common stock following the conversion of preferred stock) at a weighted average exercise price of $2.309 per warrant ($6.927 per warrant following the conversion of preferred stock). 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 common stock after this offering would be $3.28, and total dilution per common stock to new investors would be $13.72.

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 $17.00 per share, assuming the exercise of all outstanding warrants and options, after deducting $8.3 million in

underwriting discounts and commissions and estimated offering expenses of $2.8 million (in thousands, except share and per share amounts):

	Shares Purchased		Total Consideration		Weighted Average Price Per Share
	Number	Percent	Amount	Percent	
Assuming the exercise of all outstanding warrants and options and no exercise of the underwriters' option to purchase additional shares:					
Existing stockholders	31,065,042	70.1%	$ 141,152	52.5%	$ 4.54
Outstanding options and warrants	6,267,787	14.1	19,905	7.4	3.18
New investors	7,000,000	15.8	107,870	40.1	15.41
Total	44,332,829	100.0%	268,927	100.0%	
Assuming full exercise of all outstanding warrants, options and the underwriters' option to purchase additional shares:					
Existing stockholders	31,065,042	68.5%	$ 141,152	49.4%	$ 4.54
Outstanding options and warrants	6,267,787	13.8	19,905	7.0	3.18
New investors	8,050,000	17.7	124,471	43.6	15.46
Total	45,382,829	100.0%	285,528	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)		(unaudited)	
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 a leader in the global module level power electronics ("MLPE") market according to GTM Research, and as of February 28, 2015, we have shipped approximately 5.1 million power optimizers and 222,000 inverters. Approximately 100,000 installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. As of February 28, 2015, we have shipped approximately 1.3 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 February 28, 2015, 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 284 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 Change		2013 to 2014 Change		Six Months Ended December 31,		Six Months Ended December 31, 2013 to 2014 Change	
	2012	2013	2014					2013	2014 (unaudited)		
	(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 Change	
	2013	2014		
	(Dollars in thousands)			
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	
	2013	2014	Change	
	(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	
	2013	2014	Change	
	(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, 2013	Six Months Ended December 31, 2014	Six Months Ended December 31, 2013 to 2014 Change	
	(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, 2013	Six Months Ended December 31, 2014	Six Months Ended December 31, 2013 to 2014 Change	
	(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, 2013	Six Months Ended December 31, 2014	Six Months Ended December 31, 2013 to 2014 Change	
	(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 June 30,		2013 to 2014 Change	
	2013	2014		
	(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 June 30,		2013 to 2014 Change	
	2013	2014		
	(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 Change	
	2013	2014		
	(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 Change	
	2013	2014		
	(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 Change	
	2013	2014		
	(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 Change	
	2013	2014		
	(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 Change	
	2013	2014		
	(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 Change	
	2012	2013		
	(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 June 30,		2012 to 2013 Change	
	2012	2013		
	(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 June 30,		2012 to 2013 Change	
	2012	2013		
	(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 June 30,		2012 to 2013 Change	
	2012	2013		
	(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 Change	
	2012	2013		
	(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 Change	
	2012	2013		
	(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 Change	
	2012	2013		
	(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 Change	
	2012	2013		
	(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 December 31,	
	2012	2013	2014	2013	2014
			(In thousands)	(unaudited)	
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. On February 17, 2015, we entered into an amended and restated loan and security agreement with SVB providing for a $40 million revolving line of credit. As of March 10, we had approximately $5.0 million in outstanding borrowings under our $40 million revolving line of credit with SVB.

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 $20 million revolving line of credit with SVB, offset by $19.3 million of repayment of the $20 million 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 $20 million revolving line of credit with SVB, offset by $7.9 million of repayment of the $20 million 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 $20 million 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

$20 Million 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%. 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.

$40 Million Revolving Line of Credit

In February 2015, we amended and restated the agreement with SVB for a revolving line of credit, which permits aggregate borrowings of up to $40 million in an amount not to exceed 80% of the eligible accounts receivable and bears interest, payable monthly, at SVB's prime rate plus a margin of 0.5% to 2.0%. The revolving line of credit will terminate, and outstanding borrowings will be payable, on December 31, 2016. As of March 10, we had approximately $5.0 million in outstanding borrowings under our $40 million revolving line of credit with SVB.

In connection with the amended and restated 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 negative Adjusted EBITDA (defined in accordance with US GAAP as (a) net income, plus (b) the extent deducted in the calculation of net income, interest, taxes, depreciation and amortization, plus (c) to the extent deducted in the calculation of net income, non-cash stock-based compensation) of no greater than ($1,500,000) as of March 31, 2015, and positive Adjusted EBITDA of at least (i) $1,500,000 as of June 30, 2015, (ii) $3,500,000 as of September 30, 2015 and December 31, 2015, (iii) $1,500,000 as of March 31, 2016 and (iv) $3,500,000 for the fiscal year ended June 30, 2016 and for each calendar quarter thereafter. 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 amended and restated 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	2014
				(unaudited)	
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:

Option Grant Date	Number of Options Granted	Fair Value Per Share of Common Stock at Grant Date($)	Exercise Price($)
July 20, 2011	26,664	2.37	2.01
September 14, 2011	109,990	2.43	2.01
January 26, 2012	943,238	2.70	2.46
June 6, 2012	187,316	3.06	2.46
July 24, 2012	35,497	2.97	2.46
September 9, 2012	116,661	2.76	2.46
October 24, 2012	148,328	2.67	2.46
January 23, 2013	49,989	2.64	3.03
April 24, 2013	36,993	3.15	3.03
July 31, 2013	68,326	3.54	3.03
October 30, 2013	46,322	3.66	3.03
January 27, 2014	409,817	3.75	3.51
May 1, 2014	63,656	3.87	3.51
September 17, 2014	97,478	4.63	3.96
October 29, 2014	969,921	4.98	5.01
December 17, 2014	168,975	8.45	5.01
December 22, 2014	777,253	8.80	5.01
January 28, 2015	96,666	*	5.01
January 28, 2015	36,660	*	9.36

* 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 $2.37 and $2.43, 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 $2.70 and $3.06, 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 $3.06 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 $2.97, $2.76 and $2.67, 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 $2.46 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 $2.64 and $3.15, 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 $3.51 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 $3.54 and $3.66, 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 $3.72 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 $3.75 and $3.87, 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 $3.93 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 $4.63 and $4.98, 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 $4.98 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 168,975 stock option awards to certain employees, and on December 22, 2014, our board granted 777,253 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 $8.45 and $8.80, 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 $9.42 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 28, 2015, our board granted 133,326 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 March 10, we had approximately $5.0 million in outstanding borrowings under our $40 million revolving line of credit with SVB. Interest on borrowings under the $40 million revolving line of credit accrues at SVB's prime rate plus a margin of 0.5% to 2.0%. The average interest rate on our outstanding borrowings for fiscal 2014 was 4.9%. Based on outstanding borrowings of $5.0 million as of March 10, 2015, a 10% increase in the interest rate on these borrowings would increase interest expense by approximately $18,750 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%.

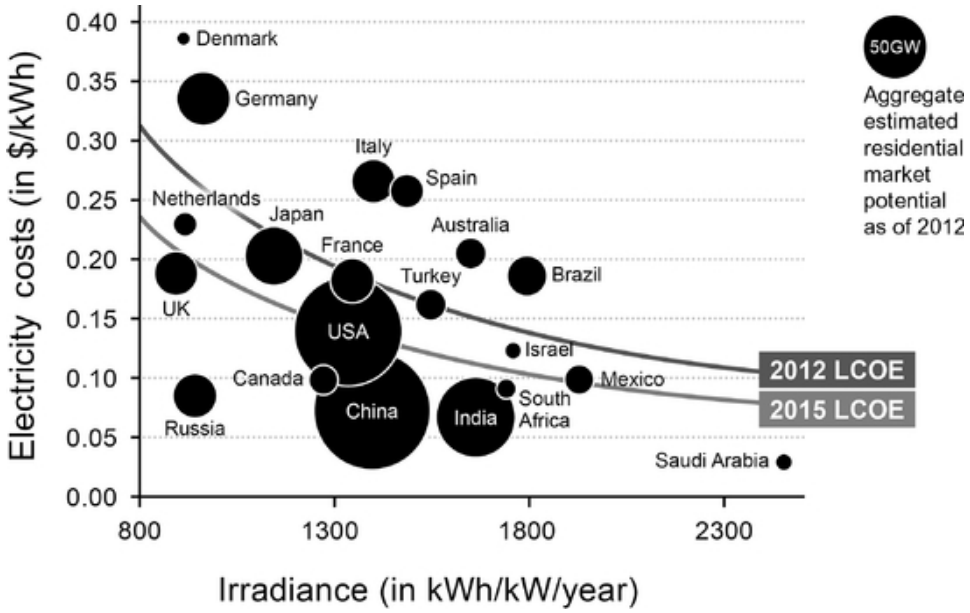
As electricity costs have continued to rise together with environmental concerns regarding traditional methods of producing electricity, consumers across the world have turned to renewable energy as a viable alternative source of electricity generation. According to the American Council on Renewable 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 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.

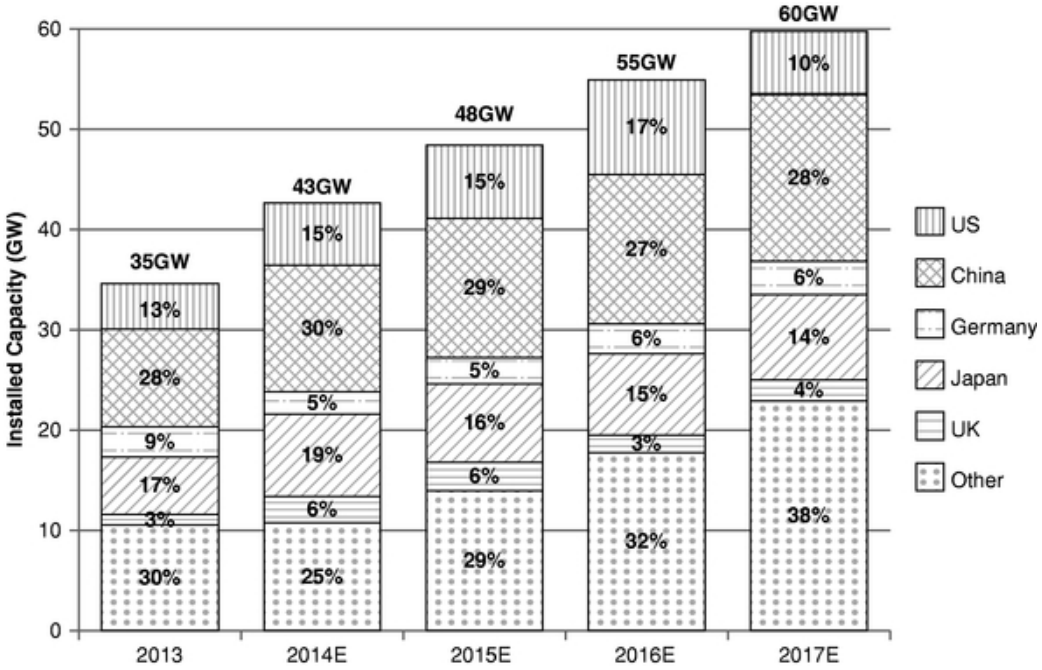
Source: Bloomberg New Energy Finance

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.

Newly Installed Solar Capacity by Country



Source: IHS PV Inverters Report 2014

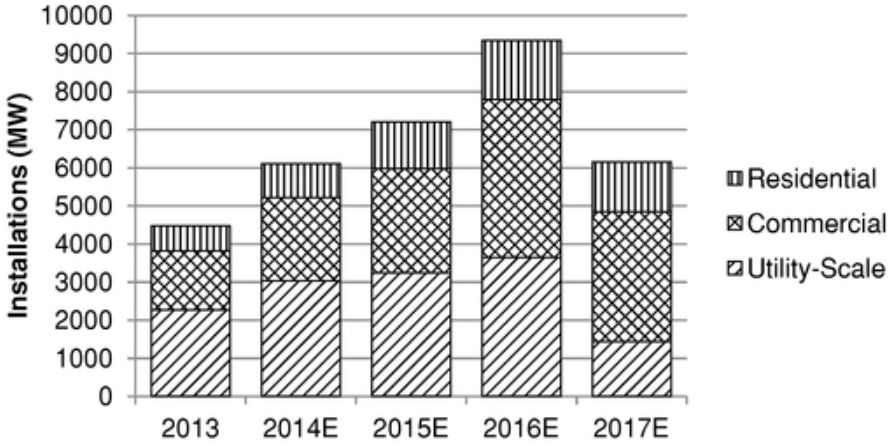
The solar energy market consists of three primary on-grid solar markets:

- *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.

U.S. Newly Installed Solar PV Capacity by Market Type



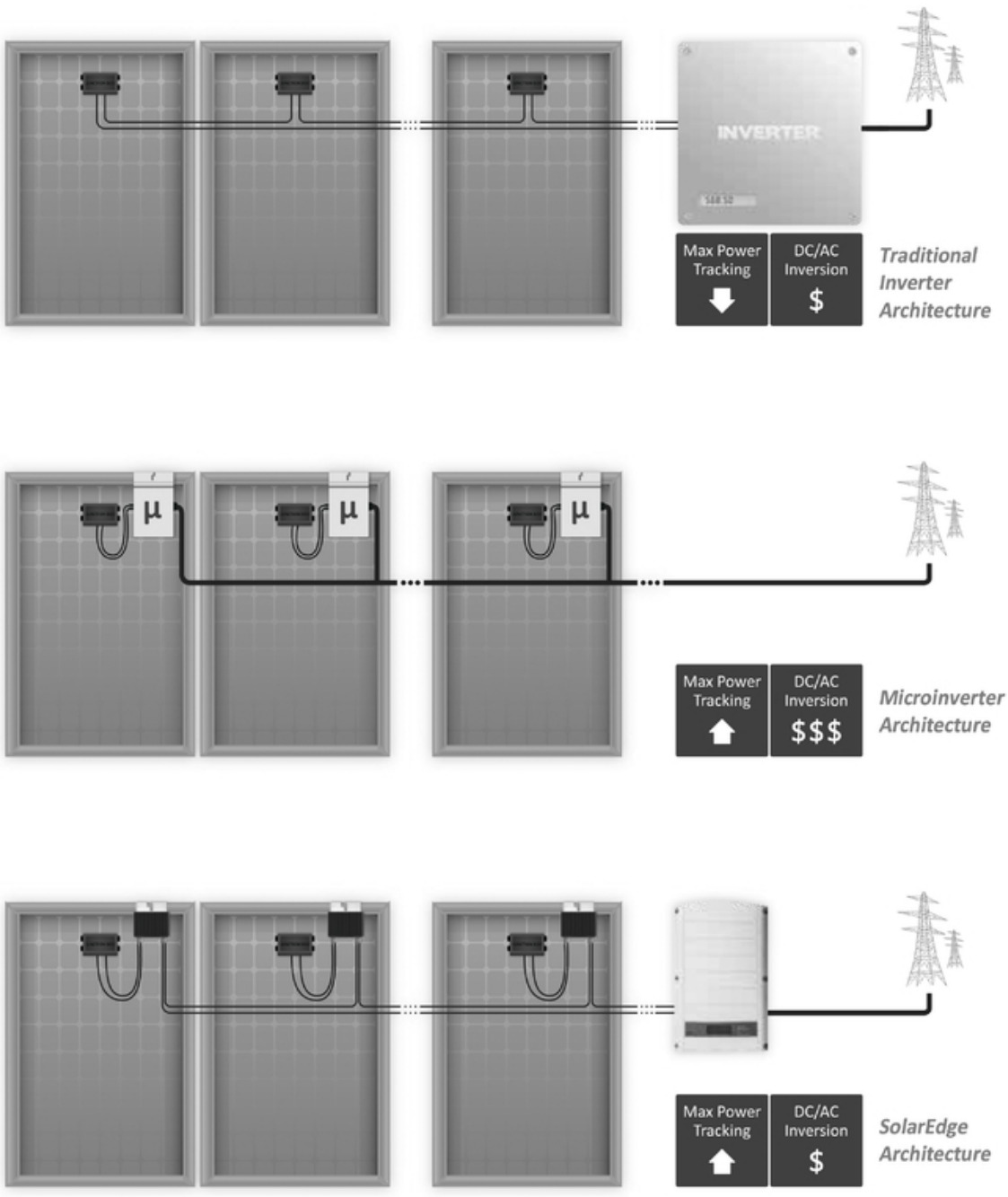
Source: IHS PV Inverters Report 2014

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.

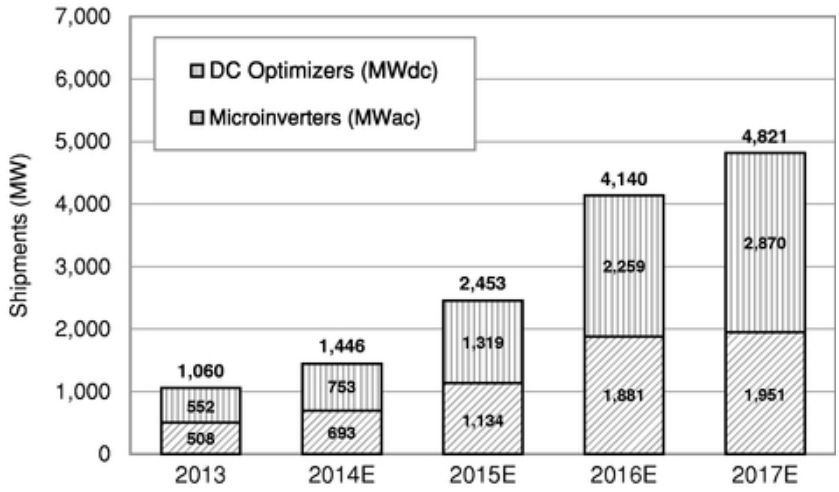
The illustrations below depict certain key differences between traditional, microinverter and SolarEdge system architectures.



The MLPE market is composed of companies producing power optimizers and companies producing microinverters.

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 1.3 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 February 28, 2015, we have shipped approximately 5.1 million power optimizers and 222,000 inverters. Approximately 100,000 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.

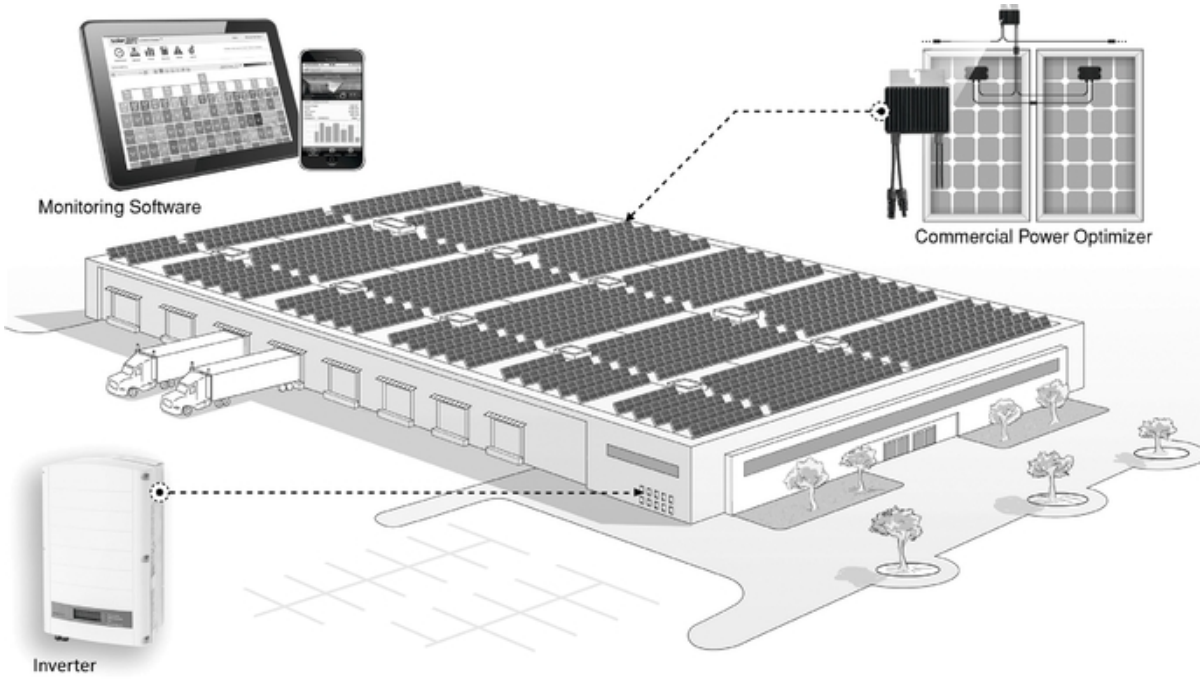
- ***No module level monitoring.*** A traditional inverter system cannot track power output, temperature or any other attribute of a single PV module. Consequently, a system operator cannot perform remote diagnostics, track performance of PV system components or receive alerts about individual PV module 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



Commercial illustration

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.

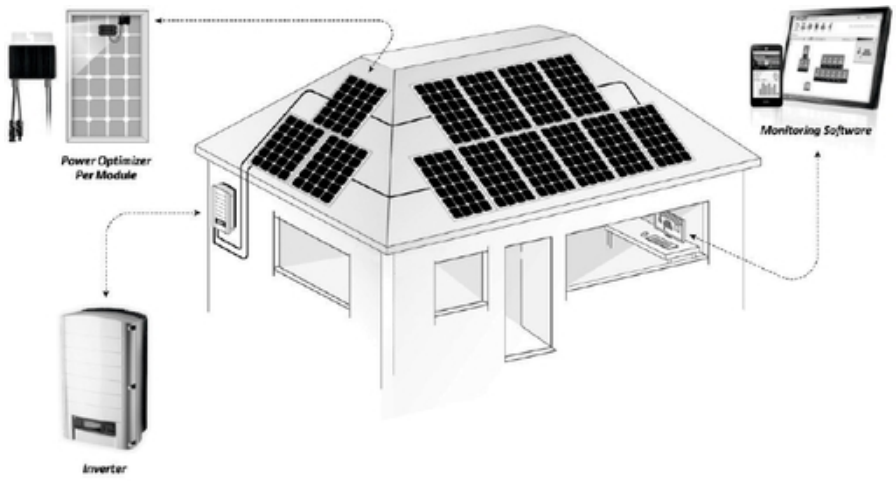
- ***Continuous monitoring and control to reduce operation and maintenance costs.*** Our cloud-based monitoring platform provides full data visibility at the module level, string level, inverter level and system level. The data can be accessed remotely by any web-enabled device, allowing comprehensive 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 a 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 share of the United States residential market grew from 1.7% in 2012 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 February 28, 2015, 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 February 28, 2015, 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 1.3 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. In creating the case studies employing traditional string inverters and microinverters, we have made a number of assumptions and estimates based on our knowledge of industry practice with respect to the relative design, hardware, permit, installation, operation and maintenance costs of these alternative system architectures. Our assumptions and estimates involve uncertainties, are subject to change based on various factors and may or may not be consistent with actual results for these alternative system architectures, but represent, to the best of our knowledge, our understanding with respect to the cost attributes of these alternative system architectures as applied to these case studies . Accordingly, we believe the LCOE results presented are representative for the system sizes presented below and provide a reasonable illustration of the economic advantages of our solution relative to the alternative system architectures presented.

LCOE

LCOE analyses are generally used to evaluate the financial return of energy-generating systems, including solar PV systems. Both of the analyses set forth below incorporate the savings that result from solar energy production which offsets traditional energy costs, 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. In the residential and commercial systems presented, we believe that our system provides a lower LCOE as a result of its additional energy harvest and reduced electrical BoS and O&M costs relative to the alternative system architectures presented.

Residential Installation

The following LCOE analysis is of a 16-module, 4.16kW system installed in California in 2012 based on PVsyst simulations. Each residential system has its own unique physical and system characteristics which may result in a different LCOE comparison.

	SolarEdge system(1)	Microinverter(2)	Traditional inverter(3)
Upfront system costs(4)			
Modules and racking(5)	$ 5,420	$ 5,420	$ 5,420
Inverter(6)	$ 1,456	$ 2,579	$ 1,165
Electrical BoS(7)	$ 887	$ 1,139	$ 1,005
Design, permit and other(8)	$ 1,073	$ 1,073	$ 1,073
Profit and tax(9)	$ 1,767	$ 2,042	$ 1,732
Total	$ 10,603	$ 12,253	$ 10,395
Lifetime costs (20 years)			
O&M(10)	$ 435	$ 513	$ 473
Inverter replacement(11)	$ 223	$ —	$ 487
Total	$ 658	$ 512	$ 960
System energy harvest (1st year)(12)(13)	6,540 kWh	6,540 kWh	6,300 kWh
System energy harvest (20 years)(14)	119,089 kWh	119,089 kWh	113,466 kWh
Additional energy harvest vs. traditional inverter	5.0%	5.0%	
LCOE	9.46¢/kWh	10.72¢/kWh	10.01¢/kWh

(1) 1 × SolarEdge SE3800US inverter and 16 × SolarEdge OP300 power optimizers; total cost $0.35 per watt. The simulation for this system was run using the OP250 power optimizer since that is the hardware installed in the actual site.

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

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

(4) Upfront system cost to the system owner for modules and racking and design, permit and other, calculated according to second quarter 2014 market prices based on GTM Research data.

(5) 16 × 260 watt modules. Module and racking cost includes labor. Total cost is $1.30 per watt.

(6) Inverter pricing determined by referencing the published price list of a distributor for second quarter 2014, which sells SolarEdge, microinverter and traditional inverter systems, and applying an identical discount rate to the published prices of the systems in order to approximate the actual comparable pricing of each such system to a medium sized distributor/installer. Inverter pricing also includes applicable ancillary inverter components. There can be no assurances that the inverter pricing used in this LCOE analysis is comparable to the pricing that might be obtained at another distributor or installer or at a different point in time.

(7) Electrical BoS cost includes AC and DC balance of system costs and is based upon a number of assumptions and estimates. Electrical BoS cost is calculated assuming standard industry pricing, compliance with applicable national electrical codes and our understanding of industry practice with respect to electrical BoS configurations of each of these technologies for the residential system used. Pricing determined based on second quarter 2014 market prices to a medium-sized distributor/installer.

(8) Design, permit and other cost is based upon a number of assumptions and estimates and is calculated assuming standard industry pricing, permit pricing and our understanding of industry practice with respect to the design configuration of each of these technologies for the residential system used.

(9) Profit and tax calculated as 20% of upfront system costs for each technology.

(10) 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.

(11) 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.

(12) PVsyst simulation results for first year of energy production.

(13) SolarEdge system actual yield during 2013 was 6,664 kWh, 1.9% above the simulated results.

(14) Aggregate energy harvest over 20 years. Assumes 1% annual module degradation for all systems and an additional 0.12% yield decrease for the traditional inverter system due to module mismatch increase due to aging.

Commercial Installation

The following LCOE analysis is of a 390-module, 90kW system installed in Ontario, Canada in 2012 based on PVsyst simulations. Each commercial system has its own unique physical and system characteristics which may result in a different LCOE comparison.

	SolarEdge system(1)	Microinverter(2)	Traditional inverter(3)
Upfront system costs(4)			
Modules and racking(5)	$ 97,436	$ 97,436	$ 97,436
Inverter(6)	$ 20,700	$ 54,900	$ 9,900
Electrical BoS(7)	$ 15,002	$ 16,504	$ 30,008
Design, permit and other(8)	$ 8,766	$ 8,766	$ 8,766
Profit and tax(9)	$ 28,381	$ 35,521	$ 29,222
Total	$ 170,284	$ 213,127	$ 175,331
Lifetime costs (20 years)			
O&M(10)	$ 7,466	$ 9,469	$ 8,558
Inverter replacement(11)	$ 4,176	$ 0	$ 4,141
Total	$ 11,642	$ 9,469	$ 12,699
System energy harvest (1st year)(12)(13)	117,335 kWh	116,513 kWh	116,364 kWh
System energy harvest (20 years)(14)	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) 5 × SE20K SolarEdge inverters and 195 × P600 SolarEdge power optimizers; total cost $0.23 per watt. The simulation for this system was run using the SE6000 inverter since that is the hardware used in the actual site.

(2) 390 × microinverters; total cost $0.61 per watt.

(3) 6 × traditional inverters; total cost $0.11 per watt.

(4) Upfront system cost to the system owner, for modules and racking and design, permit and other calculated according to second quarter 2014 market prices based on GTM Research data.

(5) 390 × 245 watt modules. Module and racking cost includes labor. Total cost is $1.10 per watt.

(6) Inverter pricing determined by referencing the published price list of a distributor for second quarter 2014, which sells SolarEdge, microinverter and traditional inverter systems, and applying an identical discount rate to the published prices of the systems in order to approximate the actual comparable pricing of each such system to a medium sized distributor/installer. Inverter pricing also includes applicable ancillary inverter components. There can be no assurances that the inverter pricing used in this LCOE analysis is comparable to the pricing that might be obtained at another distributor or installer or at a different point in time.

(7) Electrical BoS cost includes AC and DC balance of system costs and is based upon a number of assumptions and estimates. Electrical BoS cost is calculated assuming standard industry pricing, compliance with applicable national electrical codes and our understanding of industry practice with respect to electrical BoS configurations of each of these technologies for the commercial system used. Pricing determined based on second quarter 2014 market prices to a medium-sized distributor/installer.

(8) Design, permit and other cost is based on a number of assumptions and estimates and is calculated assuming standard industry pricing, permit pricing and our understanding of industry practice with respect to the design configuration of each of these technologies for the commercial system used.

(9) Profit and tax calculated as 20% of upfront system costs for each technology.

(10) 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 and microinverters as a result of monitoring.

(11) 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.

(12) PVsyst simulation results for first year of energy production.

(13) The SolarEdge system's actual yield during 2013 was 122,014 kWh, 4% above the simulated results.

(14) Aggregate energy harvest over 20 years. Assumes 1% annual module degradation for all systems and an additional 0.12% decrease for the traditional inverter system 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, including a 33 kW inverter, which we expect to be available in the fourth quarter of fiscal 2015. 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 February 28, 2015, 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 January 31, 2015, our research and development organization had a headcount of 175 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 February 28, 2015, 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. On March 9, 2015, the Company and Beacon entered into a patent purchase agreement under which the Company agreed to purchase all rights in the aforementioned patents and Beacon agreed to dismiss all outstanding claims against the Company. 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 January 31, 2015, we had 360 full-time employees. Of these full-time employees, 175 were engaged in research and development, 90 in sales and marketing, 69 in operations and support and 26 in general and administrative capacities. Of our employees, 251 were based in Israel, 55 were based in the U.S., 27 were based in China, 19 were based in Germany and an additional 8 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 Herziliya Pituach, Israel, in an office consisting of approximately 56,000 square feet of office, testing and product design space. We have a ten-year lease on our corporate headquarters, which expires on December 31, 2024.

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. On March 9, 2015, the Company and Beacon entered into a patent purchase agreement under which the Company agreed to purchase all rights in the aforementioned patents and Beacon agreed to dismiss all outstanding claims against the Company.

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	51	Chief Executive Officer and Chairman of the Board
Ronen Faier	44	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*
Marcel Gani**	62	Director Nominee**
Doron Inbar*	65	Director*
Avery More*	60	Director*
Tal Payne**	40	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. Chiefetz 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.

Marcel Gani will serve as a member of the board of directors upon consummation of the offering. Since 2009, Mr. Gani has served as an independent consultant to various start-up companies, and between November 2009 and June 2010 acted as chief executive officer for a private company. From 2005 to 2009, Mr. Gani lectured at Santa Clara University, where he taught classes on accounting and finance. In 1997, Mr. Gani joined Juniper Networks, Inc. where he served as chief financial officer and executive vice president from December 1997 to December 2004, and as chief of staff from January 2005 to March 2006. Prior to joining Juniper, Mr. Gani served as chief financial officer at various companies, including NVIDIA Corporation, Grand Junction Networks, Primary Access Corporation and Next Computers. Mr. Gani served as corporate controller at Cypress Semiconductor from 1991 to 1992. Prior to joining Cypress Semiconductor, Mr. Gani worked at Intel Corporation from 1978 to 1991. Mr. Gani holds a B.A. in Applied Mathematics from Ecole Polytechnique Federal and an M.B.A. from University of Michigan, Ann Arbor. Mr. Gani currently serves on the board of directors of Envivio Inc., where he is the chairman of the audit committee, and also serves on the board of directors of Inferna, where he is a member of the audit committee and the compensation commiteee. Mr. Gani brings valuable financial and business experience to our board through his years of experience as a chief financial officer with public companies and experience as a director of other public companies.

Doron Inbar has been a venture partner at Carmel Ventures, an Israeli-based venture capital firm that invests primarily in early stage companies in the fields of software, communications, semiconductors, internet, media, and consumer electronics, since 2006. Previously, Mr. Inbar served as the president of ECI Telecom Ltd., a global telecom networking infrastructure provider, from November 1999 to December 2005 and its chief executive officer from February 2000 to December 2005. Mr. Inbar joined ECI Telecom Ltd. in 1983 and during his first eleven years with the company, served in various positions at its wholly-owned U.S. subsidiary, ECI Telecom, Inc., in the U.S., including executive vice president and General Manager. In July 1994, Mr. Inbar returned to Israel to become vice president, corporate budget, control and subsidiaries of ECI Telecom Ltd. In June 1996, Mr. Inbar was appointed senior vice president and chief financial officer of ECI Telecom Ltd., and he became executive vice president of ECI Telecom Ltd. in January 1999. Mr. Inbar has served on the board of directors of Alvarion Ltd. (NASDAQ: ALVR), a company that designs and sells broadband wireless and Wi-Fi products, since September 2009 and is a member of its audit and compensation committees and serves as chairman of its nominating and governance Committee. Mr. Inbar also serves on the board of directors of SolarEdge Technologies Inc., an innovative start up in the photovoltaic industry, as chairman of the board of Archimedes Global Ltd., a company which provides health insurance and health provision in East Europe, and on the board of directors of MaccabiDent Ltd., the largest chain of dental service clinics in Israel. In 2012, Mr. Inbar joined the board of directors of Comverse Technology Inc. (NASDAQ: CNSI), where he is a member of the audit committee and corporate governance committee. Mr. Inbar serves also as a board member and management consultant at Degania Medical Ltd., a medical device designer and manufacturer, and as a board member and management advisor to the board of Tzinorot Ltd. Previously, Mr. Inbar served as chairman of the board of C-nario Ltd., a global provider of digital signage software solutions, chairman of the board of Followap Ltd., which was sold to Neustar, Inc. in November 2006, and chairman of the board of Enure Networks Ltd. Mr. Inbar holds a B.A. in Economics and Business Administration from Bar-Ilan University, Israel.

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 publicy traded companies.

Upon consummation of this offering, our board of directors will consist of seven individuals including Guy Sella as chairman, four other current directors, three of which have employment or other relationships with certain investors in our Company, and two new directors. We expect our board of directors to determine 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 Marcel Gani, Tal Payne and Doron Inbar, with Marcel Gani 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 Marcel Gani 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 Avery More, Marcel Gani and Dan Avida, with Avery More 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 Avery More, Yoni Cheifetz and Dan Avida, with Avery More 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. We are currently working with a compensation consultant in connection with determining the structure of our non-employee director compensation program and expect that, following this offering, 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

We expect that the equity awards for our non-employee directors will consist of (i) an initial equity award in the form of restricted stock units, 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 $150,000, and (ii) an annual equity award in the form of restricted stock units with a grant date value of $100,000, 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. The initial restricted stock unit awards will vest in equal annual installments over three years and restricted stock unit 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 *Chief Executive Officer and Chairman of the Board*	2014	273,746	218,150	43,732(3)	535,628
Ronen Faier *Chief Financial Officer*	2014	188,201	63,991	29,850(4)	282,042
Zvi Lando *Vice President, Global Sales*	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.

	Option Awards				Stock Awards	
Name	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	73,333	—	$ 1.50	July 1, 2019	—	—
	46,320	30,347(1)	$ 2.46	January 26, 2022	—	—
Ronen Faier	166,667	33,333(2)	$ 2.01	January 25, 2021	—	—
	55,382	36,284(3)	$ 2.46	January 26, 2022	—	—
Zvi Lando	160,000	—	$ 1.50	May 28, 2019	—	—
	42,222	21,111(4)	$ 2.01	January 25, 2021	—	—
	41,285	27,048(5)	$ 2.46	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 977,253 stock option awards to our NEOs, of which 843,919 stock option awards were granted 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

With respect to fiscal year 2014, the Company did not maintain a formal cash-based incentive plan. The Company did, however, pay discretionary bonuses to each NEO based on Company and individual performance.

For fiscal year 2015, each NEO is eligible to receive an annual incentive compensation payment based on achievement of pre-established performance goals. For Mr. Sella, the performance goals will be 100% weighted based upon company-related financial and performance goals, including 66% financial achievement, 14% operations, 10% strategy and 10% scalability. For Messrs. Faier and Lando, the performance goals will be weighted based upon 50% company-related financial and performance goals and 50% individual performance.

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

Our board of directors has adopted, subject to stockholder approval and the consummation of this offering, 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 one million four hundred forty three thousand one hundred twenty-six (1,443,126) 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 ten million (10,000,000).

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 or 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 January 31, 2015, 368,745 shares remained available for grant, and options to purchase 6,201,291 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

Our board of directors has adopted, subject to stockholder approval and the consummation of this offering, 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 four hundred eighty-seven thousand six hundred forty three (487,643) 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 four hundred eighty-seven thousand six hundred forty three (487,643) 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., 1 HaMada Street, Herziliya Pituach 4673335, 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 31,069,764 shares of common stock that would be outstanding as of January 31, 2015 (which includes 4,722 shares of common stock issued in connection with the execution of stock options since December 31, 2014) assuming the conversion of all outstanding shares of preferred stock into shares of common stock. Applicable percentage ownership after this offering is based on 38,069,764 shares of common stock to be outstanding after this offering, after giving effect to the issuance of 7,000,000 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 28,247,923 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)	1,700,743	5.47%	1,700,743	4.47%	1,700,743	4.35%
Affiliates of Opus Capital Venture Partners V, L.P.(2)	4,549,944	14.64%	4,549,944	11.95%	4,549,944	11.63%
Genesis Partners III L.P.(3)	4,549,945	14.64%	4,549,945	11.95%	4,549,945	11.63%
Affiliates of Pacven Walden Ventures VI, L.P.(4)	4,549,264	14.64%	4,549,264	11.95%	4,549,264	11.63%
Affiliates of Vertex III (C.I.) Fund L.P.(5)	1,845,262	5.94%	1,845,262	4.85%	1,845,262	4.72%
Norwest Venture Partners XI, L.P.(6)	3,282,506	10.56%	3,282,506	8.62%	3,282,506	8.39%
Lightspeed Venture Partners VIII LP(7)	3,580,650	11.52%	3,580,650	9.41%	3,580,650	9.15%
NWC SolarEdge Holdings, LLC(8)	1,976,056	6.36%	1,976,056	5.19%	1,976,056	5.05%
Directors and Named Executive Officers:						
Guy Sella(9)	622,883	2.00%	622,883	1.64%	622,883	1.59%
Ronen Faier(10)	279,513	*	279,513	*	279,513	*
Zvi Lando(11)	273,819	*	273,819	*	273,819	*
Dan Avida(12)	4,549,944	14.64%	4,549,944	11.95%	4,549,944	11.63%
Yoni Cheifetz(13)	3,580,650	11.52%	3,580,650	9.41%	3,580,650	9.15%
Marcel Gani	—	—	—	—	—	—
Doron Inbar(14)	223,333	*	223,333	*	223,333	*
Avery More(15)	1,700,743	5.47%	1,700,743	4.47%	1,700,743	4.35%
Tal Payne	—	—	—	—	—	—
All directors and executive officers as a group (16 individuals)(16)	13,337,897	42.93%	13,337,897	35.04%	13,337,897	34.10%

* Represents beneficial ownership of less than 1%.

(1) Consists of 1,176,470 shares held by ORR Partners I, L.P., 163,132 shares held by ORR Partners I-S, L.P., 194,903 shares held by ORR Partners I-S, II, L.P. and 166,238 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 4,220,620 shares held by Pacven Walden Ventures VI, L.P. and 328,644 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 1,344,431 shares held by Vertex III (C.I.) Fund L.P. ("Vertex III (C.I.)"), 236,074 shares held by Vertex III (Israel) Fund, L.P. ("Vertex III (Israel)"), 48,301 shares held by Vertex III (Israel B) Fund, L.P. ("Vertex III (Israel B)"), 144,868 shares held by Vertex III (DCM) Fund, L.P. ("Vertex III (DCM)"), 39,708 shares held by Vertex III (C.I.) (G) Fund, L.P. ("Vertex III (C.I.) (G)") and 31,880 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, LLC 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 433,333 shares of common stock owned of record by Mr. Sella and 189,550 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.

(10) Consists of 279,513 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.

(11) Consists of 273,819 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 (7) above.

(14) Consists of 223,333 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.

(15) Consists solely of shares described in Note (1) above.

(16) Consists of 11,564,670 shares of common stock and 1,773,227 shares of common stock issuable upon exercise of options exercisable within 60 days of January 31, 2015.

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	0.12500
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) $12.06951 per share if the offering occurs prior to December 31, 2015, (b) $14.08107 per share if the offering occurs following December 31, 2015 but prior to December 31, 2016 and (c) $16.09266 per share if the offering occurs following December 31, 2016. Each three shares 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

$40 Million Revolving Line of Credit

In June 2011, we entered into an agreement with SVB for a revolving line of credit. In February 2015, we amended and restated the agreement with SVB for a revolving line of credit, which permits aggregate borrowings of up to $40 million in an amount not to exceed 80% of the eligible accounts receivable and bears interest, payable monthly, at SVB's prime rate plus a margin of 0.5% to 2.0%. The revolving line of credit will terminate, and outstanding borrowings will be payable, on December 31, 2016. As of March 10, we had approximately $5.0 million in outstanding borrowings under our $40 million revolving line of credit with SVB.

In connection with the amended and restated 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 negative Adjusted EBITDA (defined in accordance with US GAAP as (a) net income, plus (b) the extent deducted in the calculation of net income, interest, taxes, depreciation and amortization, plus (c) to the extent deducted in the calculation of net income, non-cash stock-based compensation) of no greater than ($1,500,000) as of March 31, 2015, and positive Adjusted EBITDA of at least (i) $1,500,000 as of June 30, 2015, (ii) $3,500,000 as of September 30, 2015 and December 31, 2015, (iii) $1,500,000 as of March 31, 2016 and (iv) $3,500,000 for the fiscal year ended June 30, 2016 and for each calendar quarter thereafter. 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 amended and restated 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 consumption 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 125,000,000 shares of common stock, par value $0.0001 per share and 95,000,000 shares of preferred stock.

As of December 31, 2014, there were 2,817,119 shares of common stock outstanding, held by approximately 46 stockholders and 84,743,792 shares of preferred stock outstanding, held by approximately 18 stockholders. Assuming the conversion of the preferred stock owned by our existing stockholders into 28,247,923 shares of our common stock immediately upon effectiveness of our Certificate of Incorporation, there would have been 31,065,042 shares (not including 4,722 shares of common stock issued in connection with the execution of stock options since December 31, 2014) of common stock outstanding, held by approximately 63 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 28,247,923 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 28,247,923 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 28,247,923 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 66$^2/_3$% 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 66$^2/_3$% 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 66$^2/_3$% 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 66$^2/_3$% 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 $66^2/_3\%$ 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 $66^2/_3\%$ 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 American Stock Transfer & Trust Company, LLC.

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 28,247,923 shares of common stock, the outstanding warrants to purchase 563,014 shares of preferred stock will be converted into warrants to purchase 187,671 shares of common stock, and upon the closing of this offering, a total of 38,069,764 shares of common stock will be outstanding (which includes 4,722 shares of common stock issued in connection with the execution of stock options since December 31, 2014), assuming the underwriters do not exercise their option to purchase additional shares. Of these shares, 7,000,000 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:

Date	Number of Shares
On the date of this prospectus (consisting of the shares sold in this offering)	7,000,000
Beginning 180 days after the date of this prospectus	38,069,764

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 380,698 shares immediately after the completion of this offering (calculated on the basis of the assumptions described above and assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options or warrants); 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 4,631,122 shares of our outstanding common stock had been issued in reliance on Rule 701. However, 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. All shares of our common stock will be subject to the lock-up agreements or 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 28,247,923 shares of our common stock and 187,671 shares of common stock issuable upon the exercise of outstanding warrants, based on shares of common stock and warrants outstanding as of January 31, 2015, 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 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	7,000,000

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 1,050,000 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 1,050,000 additional shares.

	No Exercise	Full Exercise
Per Share	$ 1.19	$ 1.19
Total	$ 8,330,000	$ 9,579,500

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $2.8 million.

We have agreed with the underwriters to pay all expenses and application fees (including the legal fees of counsel for the underwriters) incurred and invoiced in connection with any filing with, and clearance of the offering by, the Financial Industry Regulatory Authority, Inc. and the qualification of the shares under the applicable securities laws of certain states and other jurisdictions in an aggregate amount not to exceed fifty thousand dollars.

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.

SOLAREDGE TECHNOLOGIES, INC.

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

SOLAREDGE 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 2g, Note 8, Note 11, Note 12, Note 16b, Note 16c and Note 16i to which the date is , 2015

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

The foregoing report is the form that will be signed upon completion of the 1-for-3 reverse share split described in Note 16(i) to the financial statements.

Tel-Aviv, Israel
March 10, 2015

/s/ KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

SOLAREDGE TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

	June 30, 2013	June 30, 2014	December 31, 2014 Unaudited
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
Total current assets	44,173	69,273	123,729
PROPERTY AND EQUIPMENT, NET	4,339	5,351	7,357
LONG-TERM LEASE DEPOSIT AND PREPAID EXPENSES	548	367	366
LONG-TERM DEFERRED CHARGES	26	7	1
DEFERRED ISSUANCE COSTS	—	—	1,834
Total assets	$ 49,086	$ 74,998	$ 133,287

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)

	June 30,		December 31,	Proforma Stockholders' equity as of December 31,
	2013	2014	2014	2014
			Unaudited	
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFECIENCY)				
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	
Total current liabilities	40,814	72,943	95,077	95,077
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	
Total long-term liabilities	17,743	21,146	25,998	25,998
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. 95,000,000 authorized and 0 shares issued and outstanding pro forma (unaudited) at December 31, 2014.	105,543	116,203	140,915	—
STOCKHOLDERS' EQUITY (DEFECIENCY):				
Share capital				
Common stock of $0.0001 par value — Authorized: 32,774,022 and 34,939,461 shares as of June 30, 2013 and 2014 and 41,666,666 at December 31, 2014 (unaudited), respectively; issued and outstanding: 2,782,491 and 2,809,950 shares as of June 30, 2013 and 2014 and 2,817,119 at December 31, 2014 (unaudited), respectively. 31,065,042 shares issued and outstanding pro forma (unaudited) at December 31, 2014.	*	*	*	3
Additional paid-in capital	4,745	5,878	6,674	147,586
Accumulated other comprehensive loss	(26)	(61)	(161)	(161)
Accumulated deficit	(119,733)	(141,111)	(135,216)	(135,216)
Total stockholders' equity (deficiency)	(115,014)	(135,294)	(128,703)	12,212
Total liabilities and stockholders' equity (deficiency)	$ 49,086	$ 74,998	$ 133,287	$ 133,287

* Represents an amount less than $1

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
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), 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	$ (10.30)	$ (10.28)	$ (7.64)	$ (4.69)	$ —
Weighted average number of shares used in computing net loss per share of common stock, basic and diluted	2,698,093	2,741,370	2,798,894	2,790,073	2,814,188
Pro forma basic earnings per common stock (unaudited)					$ 0.20
Pro forma diluted earnings per common stock (unaudited)					$ 0.19
Pro forma weighted average number of shares used in computing basic earnings per share of common stock					29,703,142
Pro forma weighted average number of shares used in computing diluted earnings per share of common stock					31,641,743
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.

SOLAREDGE 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	—	2,686,127	$ *	2,674	$ (23)	$ (63,770)	$ (61,119)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	32,254	—*	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	—	2,718,381	*	3,557	6	(91,553)	(87,990)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	64,110	—*	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	2,782,491	$ *	$ 4,745	$ (26)	$ (119,733)	$ (115,014)

* Represents an amount less than $1.

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREDGE 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	2,782,491	$ *	$ 4,745	$ (26)	$ (119,733)	$ (115,014)
Issuance of Common Stock upon exercise of employee stock options	—	—	—	27,459	—*	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	—	—	—	—	—	—	—	(21,378)	(21,378)
Balance as of June 30, 2014	75,422,773	$116,203	$ —	2,809,950	$ *	$ 5,878	$ (61)	$ (141,111)	$ (135,294)
Issuance of Common Stock upon exercise of employee stock options (unaudited)	—	—	—	7,169	—*	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	$ —	2,817,119	$ *	$ 6,674	$ (161)	$ (135,216)	$ (128,703)

* Represents an amount less than $1.

The accompanying notes are an integral part of the consolidated financial statements.

SOLAREDGE 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	
Cash flows from operating activities:					
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
Cash flows from investing activities:					
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)
Cash flows from financing activities:					
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
Supplemental disclosure of non-cash financing activities:					
Deferred issuance costs related to IPO	$ —	$ —	$ —	$ —	$ 1,542
Issuance expenses not paid in cash	$ —	$ —	$ —	$ —	$ 125
Supplemental disclosure of cash flow information:					
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. In February 2015, the Company amended and restated the agreement with the Bank Lender for a revolving line of credit, which permits aggregate borrowings of up to $40 million (see Note 16g). 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 (A) at a public offering price (before payment of any underwriters' discounts and expenses relating to the issuance) of at least (x) $12.06951 per share if the offering occurs prior to December 31, 2015, (y) $14.08107 per share if the offering occurs following December 31, 2015 but prior to December 31, 2016 and (z) $16.09266 per share if the offering occurs following December 31, 2016 (all as adjusted for stock splits, stock dividends, reverse stock splits, reclassifications and the like) and (B) 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 28,247,923 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

NOTE 2: — SIGNIFICANT ACCOUNTING POLICIES (Continued)

outstanding convertible preferred stock into common stock as of the later of the beginning of the period and the issuance date.

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 20,665,647, 22,953,263, 25,234,818, 24,967,957 (unaudited) and 29,015,225 (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
				Unaudited	
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
				Unaudited	
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

	June 30,		December 31,
	2013	2014	2014 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
	$ 5,543	$ 13,151	$ 23,828

NOTE 4: — INVENTORIES

	June 30,		December 31,
	2013	2014	2014 Unaudited
Raw materials	$ 2,236	$ 7,750	$ 13,795
Finished goods	12,549	17,749	33,824
	$ 14,785	$ 25,499	$ 47,619

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

	June 30, 2013	June 30, 2014	December 31, 2014 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
	9,300	12,297	15,386
Less — accumulated depreciation	4,961	6,946	8,029
Depreciated cost	$ 4,339	$ 5,351	$ 7,357

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

	June 30, 2013	June 30, 2014	December 31, 2014 Unaudited
Accrued expenses	$ 6,171	$ 5,430	$ 33,086
Provision for contractual inventory purchase obligations*	2,001	1,317	1,203
OCS	—	146	—
	$ 8,172	$ 6,893	$ 34,289

* 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:

	June 30, 2013	June 30, 2014	December 31, 2014 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	(2,829)	(4,058)	(2,353)
Balance, at end of year	10,378	18,181	24,297
Less current portion	(2,959)	(5,496)	(6,652)
Long term portion	$ 7,419	$ 12,685	$ 17,645

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 consumption 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.

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.

In February 2015, the Company amended and restated the agreement with the Bank Lender for a revolving line of credit, which permits aggregate borrowings of up to $40 million in an amount not to exceed 80% of the eligible accounts receivable and bears interest, payable monthly, at the Bank Lender's prime rate plus a margin of 0.5% to 2.0%. The amended and restated revolving line of credit will terminate, and outstanding borrowings will be payable, on December 31, 2016 (see Note 16g).

In connection with the amended and restated 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 negative Adjusted EBITDA (defined in accordance with US GAAP as (a) net income, plus (b) the extent deducted in the calculation of net income, interest, taxes, depreciation and amortization, plus (c) to the extent deducted in the calculation of net income, non-cash stock-based compensation) of no greater than ($1,500) as of March 31, 2015, and positive Adjusted EBITDA of at least (i) $1,500 as of June 30, 2015, (ii) $3,500 as of September 30, 2015 and December 31, 2015, (iii) $1,500 as of March 31, 2016 and (iv) $3,500 for the fiscal year ended June 30, 2016 and for each calendar quarter therafter.

The Company is required to maintain liquidity (defined as unrestricted and unencumbered cash, plus availability under the amended and restated revolving line of credit) of $6,750.

The amended and restated 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.

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.

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:

Year ended December 31,	(Unaudited)
2015	$ 1,000
2016	1,935
2017	1,921
2018	1,915
2019 and thereafter	10,179
	$ 16,950

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.

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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, 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.

NOTE 10: — COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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 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:

	Authorized		Issued and outstanding			
	Number of shares				Carrying amount	
	June 30,				June 30,	June 30,
	2013	2014	2013	2014	2013	2014
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
	71,677,932	80,772,775	68,493,373	75,422,773	$ 105,543	$ 116,203

NOTE 11: — CONVERTIBLE PREFERRED STOCK (Continued)

	Authorized	Issued and outstanding	
	Number of shares December 31,		Carrying amount December 31, 2014
	2014	2014 Unaudited	
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
	90,093,796	84,743,792	140,915

(*) As of June 30, 2013, a total of $5,314 was received on account of preferred stock. The related 2,304,524 Series D-2 preferred stock were issued in July 2013.

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.

NOTE 11: — CONVERTIBLE PREFERRED STOCK (Continued)

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.

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 (as adjusted following the 1-for-3 reverse split), see also Note 16(i) is $2.22 for Series A, $3.68 for Series B, $4.69 for Series C, $6.93 for Series D, D-1, D-2 and D-3 and $8.05 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-3 basis. The conversion price per share for convertible preferred stock shall be adjusted for certain recapitalizations, splits, combinations, common stock dividends or similar events.

NOTE 11: — CONVERTIBLE PREFERRED STOCK (Continued)

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. All common stock, options, exercise prices, per share data and earnings (loss) per share amounts have been adjusted retroactively for all periods presented in these financials statements, to reflect the 1-for-3 reverse stock split approved by the Company's board of directors, subject to stockholder approval, on March , 2015.

b. Composition of common stock capital of the Company:

	Authorized		Issued and outstanding	
	Number of shares			
	June 30,		June 30,	
	2013	2014	2013	2014
Stock of $0.001 par value:				
Common stock	32,774,022	34,939,461	2,782,491	2,809,950

	Authorized	Issued and outstanding
	December 31,	
	2014	2014
	Unaudited	
	Number of Shares	
Stock of $0.001 par value:		
Common stock	41,666,666	2,817,119

c. 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

NOTE 12: — STOCK CAPITAL (Continued)

in the event of liquidation of the Company, subject to the preferences of the convertible preferred stock described above in Note 11b.

d. 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 5,234,212 and 47,253,251 (unaudited) options are reserved for issuance under the plan, respectively.

As of June 30, 2014 and December 31, 2014 (unaudited), an aggregate of 69,483 and 106,016 (unaudited) options are still available for future grant under the Plan, respectively.

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	3,625,366	$ 1.92	7.39	$ 5,757
Granted	575,457	$ 3.41		
Exercised	(27,459)	$ 1.86		
Forfeited or expired	(166,248)	$ 2.16		
Outstanding as of June 30, 2014	4,007,116	$ 2.13	6.82	$ 6,384
Vested and expected to vest as of June 30, 2014	3,746,620	$ 2.07	6.69	$ 6,175
Exercisable as of June 30, 2014	2,719,543	$ 1.81	6.08	$ 5,206

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	3,584,058	$ 1.86	8.23	$ 4,290
Granted	372,469	$ 2.57		
Exercised	(64,110)	$ 1.71		
Forfeited or expired	(267,051)	$ 2.09		
Outstanding as of June 30, 2013	3,625,366	$ 1.92	7.39	$ 5,757
Vested and expected to vest as of June 30, 2013	3,379,801	$ 1.89	7.31	$ 5,471
Exercisable as of June 30, 2013	2,171,381	$ 1.64	6.67	$ 4,058

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	2,540,000	$ 1.60	8.59	$ 1,810
Granted	1,233,875	$ 2.41		
Exercised	(32,254)	$ 1.25		
Forfeited or expired	(157,563)	$ 1.96		
Outstanding as of June 30, 2012	3,584,058	$ 1.86	8.23	$ 4,290
Vested and expected to vest as of June 30, 2012	3,347,389	$ 1.83	8.18	$ 4,075
Exercisable as of June 30, 2012	1,548,619	$ 1.47	7.26	$ 2,463

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	4,007,116	$ 2.13	6.82	$ 6,384
Granted (unaudited)	1,982,797	$ 4.97		
Exercised (unaudited)	(7,169)	$ 2.23		
Forfeited or expired (unaudited)	(28,760)	$ 2.75		
Outstanding as of December 31, 2014 (unaudited)	5,953,984	$ 3.07	7.50	$ 37,450
Vested and expected to vest as of December 31, 2014 (unaudited)	5,621,116	$ 3.03	7.41	$ 35,652
Exercisable as of December 31, 2014 (unaudited)	3,080,972	$ 1.93	5.82	$ 22,894

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	3,625,366	$ 1.92	7.39	$ 5,757
Granted (unaudited)	114,648	$ 3.03		
Exercised (unaudited)	(20,610)	$ 1.80		
Forfeited or expired (unaudited)	(106,743)	$ 2.05		
Outstanding as of December 31, 2013 (unaudited)	3,612,661	$ 1.95	6.97	$ 6,380
Vested and expected to vest as of December 31, 2013 (unaudited)	3,391,049	$ 1.92	6.88	$ 6,098
Exercisable as of December 31, 2013 (unaudited)	2,431,252	$ 1.73	6.39	$ 4,844

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
$0.87	490,165	4.14	490,165	4.14
$1.50 - $1.68	779,653	5.05	774,185	5.05
$2.01 - $2.46	2,114,517	7.31	1,388,628	7.19
$3.03 - $3.51	622,781	9.46	66,565	9.19
	4,007,116	6.82	2,719,543	6.08

NOTE 12: — STOCK CAPITAL (Continued)

The options outstanding as of June 30, 2013, have been separated into exercise price ranges as follows:

Range of exercise price	Options outstanding as of June 30, 2013	Weighted average remaining contractual Life in years	Options exercisable as of June 30, 2013	Weighted average remaining contractual Life in years
$0.87	490,165	5.14	489,748	5.14
$1.50 - $1.68	853,929	6.11	807,621	6.10
$2.01 - $2.46	2,205,289	8.31	873,074	8.05
$3.03	75,983	9.69	938	9.57
	3,625,366	7.39	2,171,381	6.67

The options outstanding as of June 30, 2012, have been separated into ranges of exercise price ranges as follows:

Range of exercise price	Options outstanding as of June 30, 2012	Weighted average remaining contractual Life in years	Options exercisable as of June 30, 2012	Weighted average remaining contractual Life in years
$0.87	503,665	6.14	499,155	6.13
$1.50 - $1.68	906,483	7.13	623,690	7.10
$2.01 - 2.46	2,173,910	9.17	425,774	8.85
	3,584,058	8.23	1,548,619	7.26

The options outstanding as of December 31, 2014 (unaudited), have been separated into exercise price ranges as follows:

Range of exercise price	Options outstanding as of December 31, 2014 Unaudited	Weighted average remaining contractual Life in years	Options exercisable as of December 31, 2014 Unaudited	Weighted average remaining contractual Life in years
$0.87	490,165	3.64	490,165	3.64
$1.50 - $1.68	772,987	4.54	772,987	4.54
$2.01 - $2.46	2,104,748	6.80	1,623,031	6.71
$3.03 - $3.96	676,603	9.04	156,909	8.87
$5.01	1,909,481	9.91	37,880	9.84
	5,953,984	7.50	3,080,972	5.82

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:

Issuance Date	Options outstanding as of June 30, 2014	Exercise price	Exercisable as of June 30, 2014	Exercisable Through
July 31, 2008	33,333	$ 0.87	33,333	July 31, 2018
January 26, 2011	5,000	$ 2.01	5,000	January 26, 2021
January 26, 2012	33,333	$ 2.46	27,778	January 26, 2022
October 24, 2012	6,666	$ 2.46	2,916	October 24, 2022
January 23, 2013	8,333	$ 3.03	3,298	January 23, 2023
January 27, 2014	4,998	$ 3.51	139	January 27, 2024
May 1, 2014	6,000	$ 3.51	—	May 1, 2024
	97,663		72,464	

b. The Company has granted options to purchase common shares to non-employee consultants as of December 31, 2014 (unaudited) as follows:

Issuance date	Options outstanding as of December 31, 2014 Unaudited	Exercise price	Exercisable as of December 31, 2014 Unaudited	Exercisable Through
July 31, 2008	33,333	$ 0.87	33,333	July 31, 2018
January 26, 2011	5,000	$ 2.01	5,000	January 26, 2021
January 26, 2012	33,333	$ 2.46	31,944	January 26, 2022
October 24, 2012	6,666	$ 2.46	3,750	October 24, 2022
January 23, 2013	8,333	$ 3.03	4,340	January 23, 2023
January 27, 2014	4,998	$ 3.51	305	January 27, 2024
May 1, 2014	6,000	$ 3.51	—	May 1, 2024
September 17, 2014	21,801	$ 3.96	2,083	September 17, 2024
October 29, 2014	6,668	$ 5.01	222	October 29, 2024
	126,132		80,977	

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,	
	2012	2013	2014	2013	2014
				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	$ 842	$ 1,078	$ 1,082	$ 513	$ 780

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
	30,135	37,299
Valuation allowance(2)	(30,135)	(37,299)
Net deferred tax assets	$ —	$ —

(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
	$ 28,072	$ 21,158

f. Taxes on loss are comprised as follows:

	Year ended June 30,		
	2012	2013	2014
Federal	$ —	$ —	$ 11
State	—	—	89
Foreign	36	108	120
	$ 36	$ 108	$ 220

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:

	Year ended June 30,		
	2012	2013	2014
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	$ 36	$ 108	$ 220

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,	
	2012	2013	2014	2013	2014
				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)
	$ 287	$ 612	$ 2,787	$ 1,691	$ (58)

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	$ 75,351	$ 79,035	$ 133,217	$ 58,084	$ 140,259

(*) 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	$ 75,351	$ 79,035	$ 133,217	$ 58,084	$ 140,259

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 2,019,039.

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 388,626.

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. On March 9, 2015, the Company and Beacon entered into a patent purchase

NOTE 16: — SUBSEQUENT EVENTS (Continued)

agreement under which the Company agreed to purchase, for a total consideration of $800, all rights in the aforementioned patents and Beacon agreed to dismiss all outstanding claims against the Company

g. In February 2015, the Company amended and restated the agreement with the Bank Lender for a revolving line of credit, which permits aggregate borrowings of up to $40 million in an amount not to exceed 80% of the eligible accounts receivable and bears interest, payable monthly, at the Bank Lender's prime rate plus a margin of 0.5% to 2.0%. The revolving line of credit will terminate, and outstanding borrowings will be payable, on December 31, 2016.

h. In February 2015, the Company established wholly-owned subsidiaries in the United Kingdom, Japan and France, which are all engaged in selling, marketing and support activities.

i. On March , 2015, the requisite holders of the Company's shareholders consented to a 1-for-3 reverse stock split of the Company's common stock immediately prior to the time of this offering. As a result of the reverse stock split, (i) every 3 shares of authorized, issued and outstanding common stock was decreased to one share of authorized, issued and outstanding common stock, (ii) the number of shares of common stock into which each outstanding warrant or option to purchase common stock is exercisable was proportionally decreased on a 1-for-3 basis, (iii) all share prices and exercise prices were proportionately increased. All of the share numbers, share prices, and exercise prices have been adjusted within these consolidated financial statements, on a retroactive basis, to reflect this 1-for-3 reverse stock split.

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solaredge

Our Mission :

To become the leading provider of intelligent inverter solutions across all market segments enabling the availability of cost-effective, clean, renewable solar energy worldwide.

Guy Sella
Chief Executive Officer & Chairman of the Board

Ronen Faier
Chief Financial Officer

Zvi Lando
Vice President, Global Sales

Yoav Galin
Vice President, Research & Development

Lior Handelsman
Vice President, Marketing & Product Strategy

Ilan Yoscovitch
Chief Technology Officer

Rachel Prishkolnik
Vice President, General Counsel & Corporate Secretary

Alon Shapira
Vice President, Quality & Reliability

Udy Gal-On
Vice President, Operations

Meir Adest
Vice President, Core Technologies

7,000,000 Shares

SolarEdge Technologies, Inc.

Common Stock

Goldman, Sachs & Co.

Deutsche Bank Securities

Needham & Company

Canaccord Genuity

Roth Capital Partners

Through and including , 2015 (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	$	16,837
FINRA filing fee		22,235
NASDAQ Global Market listing fee		150,000
Printing		160,000
Legal fees and expenses		1,500,000
Accounting fees and expenses		650,000
Transfer agent and registrar fees	$	7,500
Miscellaneous expenses		293,428
Total:	$	2,800,000

* 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 4,389,750 shares of its common stock at exercise prices ranging from $2.01 to $9.36 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 March 10, 2015.

SOLAREDGE TECHNOLOGIES, INC.

By: /s/ GUY SELLA

Name: Guy Sella
Title: Chief Executive Officer and Chairman

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.

Signature	Title	Date
*	Chief Executive Officer and Chairman (Principal Executive Officer)	March 10, 2015
Guy Sella		
*	Chief Financial Officer (Principal Financial and Accounting Officer)	March 10, 2015
Ronen Faier		
*	Director	March 10, 2015
Dan Avida		
*	Director	March 10, 2015
Yoni Cheifetz		
*	Director	March 10, 2015
Chester A. Farris		
*	Director	March 10, 2015
Gary Gannot		
*	Director	March 10, 2015
Roni Hefetz		

Signature	Title	Date
*		
Doron Inbar	Director	March 10, 2015
*		
Avery More	Director	March 10, 2015
*		
Dror Nahumi	Director	March 10, 2015
*		
Yoram Oron	Director	March 10, 2015
*		
Bill Hallisey	Director	March 10, 2015

* As Attorney-in-Fact

By: /s/ RACHEL PRISHKOLNIK

Rachel Prishkolnik

EXHIBIT INDEX

Item 16. Exhibits

Exhibit Number	Document
1.1	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation
3.2	Form of 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	Second Amended and Restated Loan and Security Agreement, dated as of February 17, 2015, among Silicon Valley Bank, SolarEdge Technologies Ltd., SolarEdge Technologies, Inc. and SolarEdge Technologies GmbH
10.2#	Employment Agreement, dated August 26, 2007, between SolarEdge Technologies, Inc. and Guy Sella
10.3#	Employment Agreement, dated December 1, 2010, between SolarEdge Technologies, Inc. and Ronen Faier
10.4#	Employment Agreement, dated May 17, 2009, between SolarEdge Technologies, Inc. and Zvi Lando
10.5#**	SolarEdge Technologies, Inc. 2007 Global Incentive Plan (previously filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1, filed with the Commission on February 18, 2015)
10.6#	SolarEdge Technologies, Inc. 2015 Global Incentive Plan
10.7†**	Manufacturing Services Agreement, dated February 14, 2010 between Flextronics (Israel) Ltd. and SolarEdge Technologies Ltd. (previously filed as Exhibit 10.10 to the Company's Registration Statement on Form S-1, filed with the Commission on February 18, 2015)
10.8†**	Interim Agreement, dated April 7, 2013 among Flextronics Industrial Ltd., Flextronics (Israel) Ltd. and SolarEdge Technologies Ltd. (previously filed as Exhibit 10.11 to the Company's Registration Statement on Form S-1, filed with the Commission on February 18, 2015)
10.9†**	Manufacturing Services Agreement dated June 9, 2011 between Jabil Circuit, Inc. and SolarEdge Technologies, Inc. (previously filed as Exhibit 10.12 to the Company's Registration Statement on Form S-1, filed with the Commission on February 18, 2015)
21.1	List of Subsidiaries of the Registrant
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)

Exhibit Number	Document
24.1**	Power of Attorney (included in signature page of the Registration Statement, as previously filed)
99.1	Consent of Director Nominee (M. Gani)
99.2	Consent of Director Nominee (T. Payne)

# 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.

** Previously filed.

Exhibit 1.1

SolarEdge Technologies, Inc.

Common Stock, par value $0.0001

Underwriting Agreement

[·], 2015

Goldman, Sachs & Co.
Deutsche Bank Securities Inc.
As representatives of the several Underwriters
named in Schedule I hereto,

c/o Goldman, Sachs & Co.
200 West Street
New York, New York 10282-2198

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

Ladies and Gentlemen:

SolarEdge Technologies, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of [·] shares (the "Firm Shares") and, at the election of the Underwriters, up to [·] additional shares (the "Optional Shares") of common stock, par value $0.0001 ("Stock"), of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof being collectively called the "Shares").

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-202159) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the Company's knowledge, threatened, by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) under the Act is hereinafter called a

"Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(c) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus"; any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act is hereinafter called a "Section 5(d) Communication"; and any Section 5(d) Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Section 5(d) Writing");

(b) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an 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, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. and Deutsche Bank Securities Inc. (together, the "Representatives" or "you") expressly for use therein;

(c) For the purposes of this Agreement, the "Applicable Time" is [:], New York City time, on the date of this Agreement; the Pricing Prospectus, as supplemented by the information listed on Schedule II(c) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule II(a) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Issuer Free Writing Prospectus and each Section 5(d) Writing listed on Schedule II(b) hereto, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder. (1) The Registration Statement and any further amendments or supplements to the Registration Statement do not and will not, as of the applicable effective date as to each part of the Registration Statement, contain an 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 and (2) the Prospectus and any further amendments or supplements to the Prospectus do not and will not, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an 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, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(e) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"), otherwise than as set forth or contemplated in the Pricing Prospectus;

(f) The Company and its subsidiaries do not own any fee interest in any real property and the Company and its subsidiaries have valid and marketable title to all personal property (other than intellectual property, which is covered exclusively in Section 1(u)) owned by them, in each case that is material to the business of the Company and its subsidiaries taken as a whole, free and clear of all liens, encumbrances and defects except such as are described in the Pricing Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other

jurisdiction in which it owns or leases real property or conducts any business so as to require such qualification; and each subsidiary of the Company has been duly incorporated, formed or organized, as applicable, and is validly existing in good standing under the laws of its jurisdiction of incorporation, formation or organization to the extent that the concept of "good standing" is applicable under the laws of such jurisdiction, except where the failure to be so qualified or to be in "good standing" would not, in the aggregate, reasonably be expected to have a Material Adverse Effect;

(h) As of each Time of Delivery, the Company will have an authorized capitalization as set forth in the Pricing Prospectus and all of the issued shares of capital stock of the Company will have been duly authorized and validly issued and will be fully paid and non-assessable and conform in all material respects to the description of the capital stock of the Company contained in the Pricing Disclosure Package and the Prospectus; and all of the issued shares of capital stock or other equity interests, as applicable, of each subsidiary of the Company have been duly authorized and validly issued, are fully paid and non-assessable (to the extent such concepts exist in the jurisdiction of organization of such subsidiary) and (except for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances or claims;

(i) As of each Time of Delivery, the Shares will have been duly authorized and, when issued and delivered against payment therefor as provided herein, will be validly issued and fully paid and non-assessable and will conform in all material respects to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus;

(j) The issue and sale of the Shares and the compliance by the Company with this Agreement and the consummation of the transactions herein contemplated will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (B) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of the Company or any of its subsidiaries, or (C) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except, with respect to clauses (A) and (C), such conflicts or violations that would not reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares, the approval by the Financial Industry Regulatory Authority ("FINRA") of the underwriting terms and arrangements and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(k) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by-laws (or similar organizational documents) or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound;

(l) To the extent that the statements set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus (i) under the caption "Description of Capital Stock" purport to constitute a summary of the terms of the Stock (ii) under the caption "Description of Indebtedness" purport to describe

the provisions of the documents referred to therein, (iii) under the caption "Material U.S. Federal Income Tax Considerations," purport to describe specific provisions of the Internal Revenue Code or the rules and regulations thereunder and (iv) under the captions "Risk Factors—Risks Related to Our Business and Our Industry—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" " "Risk Factors—Risks Related to Operations in Israel," and "Business—Intellectual Property" purport to describe the provisions of the laws and documents referred to therein, such statements, in each case, present in all material respects an accurate summary of such terms and provisions;

(m) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(n) The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, will not be required to register as an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(o) At the time of filing the Initial Registration Statement the Company was not, and the Company is not, an "ineligible issuer," as defined in Rule 405 under the Act;

(p) Kost Forer Gabbay & Kaiserer, a member of Ernst & Young Global Limited, which has certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(q) The Company and its subsidiaries maintain a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that complies with the requirements of the Exchange Act applicable to the Company and has been designed by the Company's principal executive officer and principal financial officer, or under their supervision to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes-Oxley Act of

2002 as of an earlier date than it would otherwise be required to so comply under applicable law). As of the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Kost Forer Gabbay & Kaiserer, a member of Ernst & Young Global Limited, and the audit committee of the board of directors the Company, the Company was not aware of any material weaknesses in its internal control over financial reporting;

(r) There has been no change since the date of the latest audited financial statements included in the Pricing Prospectus in the Company's internal controls over financial reporting that has materially affected, or would reasonably be expected to materially affect, the Company's internal control over financial reporting;

(s) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(t) The statistical and market-related data included under the captions "Prospectus Summary", "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry Overview" and "Business" in the Pricing Prospectus and the Prospectus are based on or derived from estimates and sources that the Company believes to be reliable and accurate in all material respects;

(u) Except as would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries own, possess or have the right to use all trademarks, trade names, patent rights, copyrights, domain names, trade secrets, inventions, technology, know-how and other intellectual property, including registrations and applications for registration thereof (collectively, "Intellectual Property Rights") that are used in the conduct of the business as now conducted by them ("Company Intellectual Property Rights"). Except as disclosed in the Pricing Prospectus and the Prospectus, (A) there are no rights of third parties to any of the Company Intellectual Property Rights owned by the Company or its subsidiaries ("Owned IP Rights"); (B) to the Company's knowledge, there is no infringement, misappropriation, breach, default or other violation, by third parties of any of the Owned IP Rights; (C) there is no pending or, to the knowledge of the Company, threatened action, suit, or proceeding by one or more third parties challenging the Company's or any subsidiary's rights in or to any Owned IP Rights; (D) there is no pending or, to the knowledge of the Company, threatened action, suit, or proceeding by third parties challenging the validity, enforceability or scope of any Owned IP Rights; (E) there is no pending or, to the knowledge of the Company, threatened action, suit, or proceeding by third parties that the Company or any subsidiary infringes or misappropriates or otherwise violates or conflicts with any Intellectual Property Rights or other proprietary rights of third parties; (F) none of the Company Intellectual Property Rights have been obtained or are being used by the Company or its subsidiaries in violation of any contractual obligation binding on the Company or any of its subsidiaries; (G) all employees and consultants involved in the invention of material Intellectual Property Rights have entered into binding agreements assigning same to the Company or its subsidiaries; and (H) the

Company's information technology systems are adequate for purposes of carrying on the business of the Company and its subsidiaries as currently conducted;

(v) All U.S. federal and other material Tax (as defined below) returns and reports of the Company or its subsidiaries required to be filed by any of them have been timely filed, all such returns and reports are true, correct and complete in all material respects, and all Taxes shown on such Tax returns to be due and payable have been timely paid. All material assessments, fees and other governmental charges upon the Company or its subsidiaries and upon their respective properties, assets, income, businesses and franchises that are due and payable have been paid when due and payable, except to the extent that such assessments, fees and charges are being actively contested by the Company or its subsidiaries in good faith and by appropriate proceedings; provided, such reserves or other appropriate provisions, if any, as shall be required in conformity with generally accepted accounting principles shall have been made or provided therefore; provided that for the purposes of this provision, "Tax" shall mean any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding (together with interest, penalties and other additions thereto) of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed;

(w) The Company and its subsidiaries possess, and are in compliance with the terms of, all material certificates, authorizations, franchises, licenses and permits ("Licenses") necessary to the conduct of the business now conducted and the Company and its subsidiaries and have not received any notice of proceedings relating to the revocation or modification of any Licenses;

(x) The Company and its subsidiaries maintain insurance in such amounts and insuring against such losses and risks as is prudent and customary in the business in which they are engaged and none of the Company or any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business;

(y) None of the Company or any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person associated with or acting on behalf of the Company or any of their subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; (iv) violated or is in violation of any provision of the Bribery Act 2010 of the United Kingdom; or (v) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(z) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"), and the applicable anti-money laundering statutes of all jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or

similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(aa) (i) The Company represents that neither the Company nor any of its subsidiaries (collectively, the "Entity") or, to the knowledge of the Entity, any director, officer, employee, agent, affiliate or representative of the Entity, is an individual or entity ("Person") that is, or is owned or controlled by a Person that is: (1) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council ("UNSC"), the European Union ("EU"), Her Majesty's Treasury ("HMT"), or other relevant sanctions authority (collectively, "Sanctions"), or (2) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, North Korea, Sudan and Syria); (ii) the Entity represents and covenants that it will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person: (1) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or (2) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise); (iii) the Entity represents and covenants that, for the past 5 years, it has not knowingly engaged in, is not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions;

(bb) The Company represents and covenants that neither it nor any of its subsidiaries has within the past 5 years knowingly engaged in, is now knowingly engaged in, or will engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction was, is, or will be, the subject of Sanctions;

(cc) The Company and its subsidiaries have complied, and are presently in compliance, in all material respects, with their privacy policies and legal obligations regarding the collection, use, transfer, storage, protection, disposal and disclosure by the Company and its subsidiaries of personally identifiable information;

(dd) Neither the Company nor any of its subsidiaries has taken, directly or indirectly, any action that was designed to or that has constituted or that might reasonably be expected to cause or result in the manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(ee) From the time of initial confidential submission of a registration statement relating to the Shares with the Commission (or, if earlier, the first date on which a Section 5(d) Communication was made) through the date hereof, the Company has been and is an "emerging growth company" as defined in Section 2(a)(19) of the Act (an "Emerging Growth Company");

(ff) The Company has not taken any action that may be considered to be a "road show" (as defined in Rule 433(h)(4) of the Act) at any time prior to the date that is

21 calendar days after the date by which the Company has publicly filed on the SEC's Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") any confidentially submitted registration statement, all amendments thereto as well as any correspondence with the staff related thereto;

(gg) Except as described in the Pricing Prospectus or would not, singly or in the aggregate, result in a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries or, with respect to (C) below, is reasonably expected to result in no monetary sanctions or in monetary sanctions, exclusive of interest and costs, of less than $100,000, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, provincial, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release of pollutants or contaminants or toxic or hazardous chemicals, wastes, substances, or materials including petroleum or petroleum products, asbestos-containing materials or mold (collectively, "Hazardous Materials"), or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, investigations or proceedings and the Company has not received any

demands, demand letters, claims, liens, notices of noncompliance or violations, in each case relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental entity, against or affecting the Company or any of its subsidiaries relating to any Environmental Laws;

(hh) No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its or any of its subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, would result in a Material Adverse Effect; and

(ii) This Agreement has been duly authorized, executed and delivered by the Company.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $[·], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional

Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares that such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [·] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in uncertificated form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to the Representatives, through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account(s) specified by the Company to the Representatives at least forty-eight hours in advance. The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [·] or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by the Representatives in the written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery," each such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery," and each such time and date for delivery is herein called a "Time of Delivery."

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 8(l) hereof, will be delivered at the offices of O'Melveny & Myers LLP, Time Square Tower, 7 Times Square, New York, NY 10036 (the "Closing Location"), and the Shares will be delivered at the office of DTC or its designated custodian, all at such Time of Delivery. A

meeting will be held at the Closing Location at [·] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Agreement, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery that shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to file promptly all materials required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus relating to the Shares or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a

foreign corporation, to file a general consent to service of process in any jurisdiction or to subject itself to taxation in any such jurisdiction in which it would not otherwise be subject to taxation;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such later time as may be agreed to by you and the Company) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of

a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer (whose name and address the Underwriters shall furnish to the Company) in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus that will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e)(1) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise (other than (1) the issuance and sale of the Shares to be sold pursuant to this Agreement, (2) the issuance by the Company of Stock or securities convertible into, exchangeable for or that represent the right to receive, Stock, in each case pursuant to an equity incentive plan described in the Pricing Prospectus and existing on the date hereof, (3) the issuance by the Company of Stock upon the exercise of an option or upon the exercise or conversion of exercisable or convertible securities described in the Pricing Prospectus and existing on the date hereof, (4) the issuance by the Company of Stock or securities convertible into, exchangeable for or that represent the right to receive Stock in connection with (a) the acquisition by the Company or any of its subsidiaries of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition or (b) the Company's joint ventures, equipment leasing arrangements, debt financings or other strategic transactions or (5) the

filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to the Company's equity incentive plans that are described in the Pricing Prospectus and existing on the date hereof or any assumed employee benefit plan contemplated by clause (4); provided that the aggregate number of shares of Common Stock that the Company may sell or issue or agree to sell or issue pursuant to clause (4) shall not exceed 10% of the total number of shares of Common Stock outstanding immediately following the completion of the transactions contemplated by this Agreement; and provided further that in the case of clauses (2) through (4), (i) each recipient of such securities shall execute and deliver to you, on or prior to the issuance of such securities, a lock-up agreement substantially to the effect set forth in Annex II hereto and (ii) the Company shall enter stop transfer instructions with the Company's transfer agent and registrar on such securities, which the Company agrees it will not waive or amend without the prior consent of the Representatives;

(e)(2) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter delivered pursuant to Section 8(j) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex I hereto through a major news service at least two business days before the effective date of the release or waiver;

(f) To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or 15(d) of the Exchange Act, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); except in each case for reports, communications, documents or other information (y) that are available via EDGAR or a similar successor data storage and retrieval system administered by the Commission or (z) in the case of clause (ii) above, the provision of which would require public disclosure by the Company pursuant to Regulation FD;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list for trading, subject to official notice of issuance, the Shares on The Nasdaq Global Market (the "NASDAQ");

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 3a of the Commission's Informal and Other Procedures (16 CFR 202.3a);

(l) Upon the reasonable request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License Permit"); provided, however, that the License Permit shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred;

(m) To promptly notify you if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Act and (ii) completion of the Lock-Up Period; and

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; and each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule II(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the applicable conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Section 5(d) Writing any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Section 5(d) Writing would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Section 5(d)

Writing or other document that will correct such conflict, statement or omission; provided, however, that this covenant shall not apply to any statements or omissions in an Issuer Free Writing Prospectus or Section 5(d) Writing made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(d) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Section 5(d) Communications and has not distributed, or authorized any other person or entity to distribute, any Section 5(d) Writings except, in each case, for Section 5(d) Communications and Section 5(d) Writings engaged in or distributed (x) with the prior written consent of the Representatives and (y) to entities that are qualified institutional buyers (as defined in Rule 144A under the Act) or institutions that are accredited investors (as defined in Rule 501(a) under the Act); and (ii) reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Section 5(d) Communications; and

(e) Each Underwriter represents and agrees that any Section 5(d) Communications undertaken by it were with entities that are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act.

7. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act; (ii) all expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Section 5(d) Writing and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (iii) the cost of printing this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iv) all expenses in connection with the qualification of the Shares for offering and sale under state and foreign securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (v) all fees and expenses in connection with listing the Shares on the NASDAQ; (vi) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; (vii) the cost of preparing stock certificates, if applicable; (viii) the cost and charges of any transfer agent or registrar; and (ix) all other costs and expenses incident to the performance of its obligations hereunder that are not otherwise specifically provided for in this Section; provided, however, that the Company shall not be obligated to pay any fees and disbursements of counsel to the Underwriters set forth in (iv) and (vi) above (excluding, for the avoidance of doubt, any filing fees) to the extent such fees and disbursements exceed $50,000; provided, further, that the Underwriters shall pay or reimburse amounts paid by the Company and its representatives for one half of the costs and expenses incurred for the use of any private aircraft used in connection with the "road show" undertaken in connection with the marketing and selling of the offering of the Shares. It is understood that except as provided in this Section, and Sections 9 and 12 hereof, the

Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, any advertising expenses connected with any offers they may make and all travel expenses of the Underwriters and their representatives in connection with the road show.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or, to the Company's knowledge, threatened, by the Commission; no stop order suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus shall have been initiated or, to the Company's knowledge, threatened, by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) O'Melveny & Myers LLP, counsel for the Underwriters, shall have furnished to you favorable written opinion or opinions, dated such Time of Delivery, in a form reasonably satisfactory to you, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Rachel Prishkolnik, Adv., General Counsel for the Company, shall have furnished to you her written opinion, dated such Time of Delivery, in form and substance reasonably satisfactory to you and agreed prior to the date hereof;

(d) Gibson, Dunn & Crutcher LLP, counsel for the Company, shall have furnished to you their written opinion, dated such Time of Delivery, in form and substance reasonably satisfactory to you and agreed prior to the date hereof;

(e) On the date of the Prospectus, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Kost Forer Gabbay & Kaiserer, a member of Ernst & Young Global Limited, shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to you;

(f) (i) The Company and its subsidiaries, taken as a whole, shall not have sustained since the date of the latest audited financial statements included

in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any Material Adverse Effect, otherwise than as set forth or contemplated in the Pricing Disclosure Package, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus;

(g) On or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization," as defined in Section 3(a)(62) of the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock;

(h) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on the NASDAQ; (iii) a general moratorium on commercial banking activities declared by either U.S. federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in your judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(i) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to official notice of issuance, on the NASDAQ;

(j) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from each stockholder of the Company listed on Schedule III hereto, substantially to the effect set forth in Annex II hereto in form and substance satisfactory to you;

(k) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses; and

(l) The Company shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company reasonably satisfactory to you as to the accuracy of the representations and warranties of the Company herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such

Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section 8 and as to such other matters as you may reasonably request.

9. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment or

supplement thereto or arise out of or are based upon 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 arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Pricing Prospectus, the Pricing Disclosure Package or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or any Section 5(d) Writing prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus, the Pricing Disclosure Package or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment or supplement thereto or arise out of or are based upon 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 arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Pricing Prospectus, the Pricing Disclosure Package or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or any Section 5(d) Writing prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration

Statement, any Preliminary Prospectus, the Pricing Prospectus the Pricing Disclosure Package or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or any Section 5(d) Writing, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims,

damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section 9 shall be in addition to any liability that the Company may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability that the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares that it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties reasonably satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so

arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven calendar days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus that in your opinion may thereby be made necessary. The term “Underwriter” as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares that remains unpurchased does not exceed one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares that such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares that remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you,

including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to each of the representatives in care of (a) Goldman, Sachs & Co., 200 West Street, New York, New York 10282-2198, Attention: Registration Department and (b) Deutsche Bank Securities Inc., 60 Wall Street, 4th Floor, New York, New York 10005, Attention: Equity Capital Markets — Syndicate Desk, fax: (212) 797-9344, with a copy to Deutsche Bank Securities Inc., 60 Wall Street, 36th Floor, New York, New York 10005, Attention: General Counsel, fax: (212) 797-4564; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters’ Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request; provided, however, that notices under Section 5(e)(2) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to each of the representatives in care of (a) Goldman, Sachs & Co., 200 West Street, New York, New York 10282-2198, Attention: Control Room and (b) Deutsche Bank Securities Inc., 60 Wall Street, 4th Floor, New York, New York 10005, Attention: Equity Capital Markets — Syndicate Desk, fax: (212) 797-9344, with a copy to Deutsche Bank Securities Inc., 60 Wall Street, 36th Floor, New York, New York 10005, Attention: General Counsel, fax: (212) 797-4564. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA PATRIOT Act, the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors,

administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. The Company acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

18. **THIS AGREEMENT AND ANY MATTERS RELATED TO THIS TRANSACTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. The Company agrees that any suit or proceeding arising in respect of this Agreement or our engagement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company agrees to submit to the jurisdiction of, and to venue in, such courts.**

19. The Company and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

21. Notwithstanding anything herein to the contrary, the Company is authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among the Underwriters, the form of which shall be submitted to the Company for examination upon request, but without warranty on your part as to the authority of the signers thereof.

[*Signature page follows.*]

Very truly yours,

SolarEdge Technologies, Inc.

By: _____
Name:
Title:

Accepted as of the date hereof:

Goldman, Sachs & Co.

By: _____

Name:
Title:

Deutsche Bank Securities Inc.

By: _____
Name:
Title:

By: _____
Name:
Title:

Acting severally on behalf of itself
and the several Underwriters named
in Schedule I hereto

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
Deutsche Bank Securities Inc.		
Needham & Company, LLC		
Canaccord Genuity Inc.		
Roth Capital Partners LLC		
Total		

SCHEDULE II

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package

[None]

(b) Section 5(d) Writings

[*]

(c) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package

The initial public offering price per share for the Shares is $[·]
The number of Shares purchased by the Underwriters is [·]

SCHEDULE III

Name of Stockholder	Address

ANNEX I

[Form of Press Release]

SolarEdge Technologies, Inc.

6 HeHerash St., PO Box 7349
Hod Hasharon 45240, Israel

SolarEdge Technologies, Inc. (the "Company") announced today that Goldman, Sachs & Co. and Deutsche Bank Securities Inc., the joint lead book-running managers in the Company's recent public sale of shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 2015, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

ANNEX II

[Form of Lock-up]

SolarEdge Technologies, Inc.

Lock-Up Agreement

March [ ], 2015

Goldman, Sachs & Co.
200 West Street
New York, NY 10282-2198

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005

As representatives of the several Underwriters (as defined below)

Re: SolarEdge Technologies, Inc. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as representatives (the "Representatives") of the several Underwriters named in Schedule I to such agreement (collectively, the "Underwriters"), propose to enter into an Underwriting Agreement on behalf of the several Underwriters with SolarEdge Technologies, Inc., a Delaware corporation (the "Company"), providing for a public offering of common stock, $0.0001 par value per share (the "Common Stock"), of the Company (the "Shares") pursuant to a Registration Statement on Form S-1 to be filed with the Securities and Exchange Commission (the "SEC").

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period specified in the following paragraph (the "Stockholder Lock-Up Period"), the undersigned will not offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any shares of Common Stock of the Company, or any options or warrants to purchase any shares of Common Stock of the Company, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock of the Company, whether now owned or hereafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively the "Undersigned's Shares"). The foregoing restriction is expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned's Shares even if any of such Undersigned Shares would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned's Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares.

The Stockholder Lock-Up Period will commence on the date of this Lock-Up Agreement and continue until the earlier of (x) 180 days after the public offering date set forth on the final prospectus used to sell the Shares (the "Public Offering Date") pursuant to the Underwriting Agreement and (y) the date (which in all cases shall be prior to the execution of the Underwriting Agreement by the Company) the Company notifies the Representatives in writing, executed by the chief executive officer and chief financial officer of the Company, that the Company no longer intends to proceed with the public offering of the Shares.

If the undersigned is an officer or director of the Company, (1) the undersigned further agrees that the foregoing restrictions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the offering, (2) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Common Stock, the Representatives will notify the Company of the impending release or waiver, and (3) the Company has agreed or will agree in the Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may transfer the Undersigned's Shares (i) as a *bona fide* gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, or (iii) with the prior written consent of the Representatives on behalf of the Underwriters. For purposes of this

Lock-Up Agreement, “immediate family” shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, the corporation may transfer the capital stock of the Company to any wholly-owned subsidiary of such corporation; provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such capital stock subject to the provisions of this Agreement and there shall be no further transfer of such capital stock except in accordance with this Agreement, and provided further that any such transfer shall not involve a disposition for value. The undersigned now has, and, except as contemplated by clause (i), (ii), or (iii) above, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned’s Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the Undersigned’s Shares except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned’s heirs, legal representatives, successors, and assigns.

Very truly yours,

_____

Exact Name of Shareholder

_____

Authorized Signature

_____

Title

FORM OF AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

SOLAREDGE TECHNOLOGIES, INC.
(a Delaware corporation)

ARTICLE I
NAME

The name of the corporation is SOLAREDGE TECHNOLOGIES, INC. (the "Corporation").

ARTICLE II
AGENT

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Wilmington, New Castle County, Delaware 19808. The name of its registered agent at such address is Corporation Services Company.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV
STOCK

Section 4.1 Authorized Stock. The total number of shares which the Corporation shall have authority to issue is 220,000,000, of which 125,000,000 shall be designated as Common Stock, par value $.0001 per share (the "Common Stock"), and 95,000,000 shall be designated as Preferred Stock, par value $.0001 per share (the "Preferred Stock").

Section 4.2 Common Stock.

(a) Each holder of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote; 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 this Certificate of Incorporation, including any certificate of designations relating to any series of Preferred Stock (each hereinafter referred to as a "Preferred Stock Designation"), 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 this Certificate of Incorporation (including any Preferred Stock Designation) or the DGCL.

(b) Dividends. Subject to the rights of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends out of any funds of the Corporation legally available therefor when, as and if declared by the Board of Directors.

(c) Liquidation. Upon the dissolution, liquidation or winding up of the Corporation, subject to the rights of the holders of any outstanding series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

Section 4.3 Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. Subject to limitations prescribed by law and the provisions of this Article IV, the Board of Directors is hereby authorized to provide by resolution and by causing the filing of a Preferred Stock Designation for the issuance of the shares of Preferred Stock in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences, and relative, participating, optional or other rights, if any, and any qualifications, limitations or restrictions thereof, of the shares of each such series.

The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(i) the number of shares constituting such series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares in any such series then outstanding), and the distinctive designation of such series, which may be by distinguishing number, letter or title;

(ii) the dividend rate on the shares of such series, if any; whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of such series;

(iii) whether the shares of such series shall have voting rights (including multiple, fractional or no votes per share) in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) whether the shares of such series shall have conversion rights, and, if so, the terms and conditions of such rights, including provision for adjustment of the conversion rate in such events as may be specified;

(v) whether or not the shares of such series shall be redeemable, and if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of

redemption, which amount may vary under different conditions and at different redemption rates;

(vi) whether a sinking fund shall be provided for the redemption or purchase of shares of such series, and, if so, the terms and the amount of such sinking fund;

(vii) the restrictions, if any, on the issuance of shares of the same series or of any other class or series;

(viii) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment in respect of shares of such series; and

(ix) any other rights, powers and preferences, or any qualifications, limitations or restrictions thereof, of such series.

Section 4.4 No Class Vote on Changes in Authorized Number of Shares of Stock. Subject to the rights of the holders of any outstanding series of Preferred Stock, the number of authorized shares of any class or classes of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE V
BOARD OF DIRECTORS

Section 5.1 Number. Except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), the Board of Directors shall consist of such number of directors as shall be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the total number of directors then authorized.

Section 5.2 Classification.

(a) Effective upon the date of filing of this Amended and Restated Certificate of Incorporation (the "Effective Date"), the Board of Directors (other than those directors elected by the holders of any series of Preferred Stock provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation) (the "Preferred Stock Directors")) shall be divided into three classes, as nearly equal in number as possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the Effective Date; Class II directors shall initially serve until the second annual meeting of stockholders following the Effective Date; and Class III directors shall initially serve until the third annual meeting of stockholders following the Effective Date. Commencing with the first annual meeting of stockholders following the Effective Date, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term and until the election and qualification of their respective successors in office. In case of any

increase or decrease, from time to time, in the number of directors (other than Preferred Stock Directors), the number of directors in each class shall be apportioned as nearly equal as possible. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III, with such assignment becoming effective as of the Effective Date.

(b) Subject to the rights of the holders of any outstanding series of Preferred Stock, and unless otherwise required by law, newly created directorships resulting from any increase in the authorized number of directors and any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

(c) Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the stock outstanding and entitled to vote thereon.

(d) During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), and upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such number of directors that the holders of any series of Preferred Stock have a right to elect, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions and (ii) each Preferred Stock Director shall serve until such Preferred Stock Director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, disqualification, resignation or removal. In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by the holders of Preferred Stock pursuant to said provisions. Except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to said provisions, the terms of office of all Preferred Stock Directors elected by the holders of such Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

Section 5.3 Powers. Subject to the provisions of the DGCL and to any limitations in this Certificate of Incorporation relating to action required to be approved by the stockholders, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

Section 5.4 Election; Annual Meeting of Stockholders.

(a) Ballot Not Required. The directors of the Corporation need not be elected by written ballot unless the Bylaws of the Corporation so provide.

(b) Notice. Advance notice of nominations for the election of directors, and of business other than nominations, to be proposed by stockholders for consideration at a meeting of stockholders of the Corporation shall be given in the manner and to the extent provided in the Bylaws of the Corporation.

(c) Annual Meeting. The annual meeting of stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, either within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix.

ARTICLE VI
STOCKHOLDER ACTION

Except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders.

ARTICLE VII
SPECIAL MEETINGS OF STOCKHOLDERS

Except as otherwise required by law, and except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any Preferred Stock Designation), a special meeting of the stockholders of the Corporation may be called at any time only by the Board of Directors. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting.

ARTICLE VIII
EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE IX
AMENDMENT

Section 9.1 Amendment of Certificate of Incorporation. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by the laws of the State of Delaware, and all powers, preferences and rights of any nature conferred upon stockholders, directors or any other persons by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to this reservation; provided, however, that except as otherwise provided in this Certificate of Incorporation and in addition to any requirements of law, the affirmative vote of the holders of at least $66^{2}/_{3}\%$ of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, shall be required to adopt, amend or repeal, or adopt any provision inconsistent with Article IV, Article V, Article VI, Article VII, or this Article IX.

Section 9.2 Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation. Except as otherwise provided in this Certificate of Incorporation or the Bylaws of the Corporation, and in addition to any requirements of law, the affirmative vote of the holders of at least $66^{2}/_{3}\%$ of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal, or adopt any provision inconsistent with, Section 2.2, Section 2.10, Section 2.11, Article III, Article VI, **[Section 7.6]** or Article X of the Bylaws.

ARTICLE X
LIABILITY OF DIRECTORS

Section 10.1 No Personal Liability. To the fullest extent permitted by the DGCL as the same exists or as may hereafter be amended, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

Section 10.2 Amendment or Repeal. Any amendment, alteration or repeal of this Article X that adversely affects any right of a director shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE XI
FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring: (a) any derivative action or proceeding brought

on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or Bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Any person or entity purchasing or otherwise acquiring any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XI.

If any provision of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of this Article XI (including, without limitation, each portion of any sentence of this Article XI containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

FORM OF AMENDED AND RESTATED

BYLAWS

OF

SOLAREDGE TECHNOLOGIES, INC.
(a Delaware corporation)

ARTICLE I
CORPORATE OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be fixed in the Certificate of Incorporation of the Corporation.

Section 1.2 Other Offices. The Corporation may also have an office or offices, and keep the books and records of the Corporation, except as otherwise required by law, at such other place or places, either within or without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 Annual Meeting. The annual meeting of stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, either within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.2 Special Meeting.

Except as otherwise required by law, and except as otherwise provided for or fixed pursuant to the Certificate of Incorporation, including any certificate of designations relating to any series of Preferred Stock (each hereinafter referred to as a "Preferred Stock Designation"), a special meeting of the stockholders of the Corporation may be called at any time only by the Board of Directors. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors.

Section 2.3 Notice of Stockholders' Meetings.

(a) Whenever stockholders are required or permitted to take any action at a meeting, notice of the place, if any, date, and time of the meeting of stockholders, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining the stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be

given. The notice shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws. In the case of a special meeting, the purpose or purposes for which the meeting is called also shall be set forth in the notice. Notice may be given personally, by mail or by electronic transmission in accordance with Section 232 of the General Corporation Law of the State of Delaware (the "DGCL"). If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to each stockholder at such stockholder's address as it appears on the records of the Corporation. Notice by electronic transmission shall be deemed given as provided in Section 232 of the DGCL. An affidavit that notice has been given, executed by the Secretary of the Corporation, Assistant Secretary or any transfer agent or other agent of the Corporation, shall be *prima facie* evidence of the facts stated in the notice in the absence of fraud. Notice shall be deemed to have been given to all stockholders who share an address if notice is given in accordance with the "householding" rules set forth in Rule 14a-3(e) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 233 of the DGCL.

(b) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 7.6(a), and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.4 Organization.

(a) Meetings of stockholders shall be presided over by the Chairman of the Board of Directors, if any, or in his or her absence, by the Chief Executive Officer or, in his or her absence, by another person designated by the Board of Directors. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the chairman of the meeting shall appoint, shall act as secretary of the meeting and keep a record of the proceedings thereof.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders shall vote at a meeting of stockholders shall be announced at the meeting. The Board of Directors may adopt such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the authority to adopt and enforce such rules and

regulations for the conduct of any meeting of stockholders and the safety of those in attendance as, in the judgment of the chairman, are necessary, appropriate or convenient for the conduct of the meeting. Rules and regulations for the conduct of meetings of stockholders, whether adopted by the Board of Directors or by the chairman of the meeting, may include without limitation, establishing: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies and such other persons as the chairman of the meeting shall permit; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted for consideration of each agenda item and for questions and comments by participants; (vi) regulations for the opening and closing of the polls for balloting and matters which are to be voted on by ballot (if any); and (vii) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting. Subject to any rules and regulations adopted by the Board of Directors, the chairman of the meeting may convene and, for any or no reason, from time to time, adjourn and/or recess any meeting of stockholders pursuant to Section 2.7. The chairman of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to declare that a nomination or other business was not properly brought before the meeting if the facts warrant (including if a determination is made, pursuant to Section 2.10(c)(i) of these Bylaws, that a nomination or other business was not made or proposed, as the case may be, in accordance with Section 2.10 of these Bylaws), and if such chairman should so declare, such nomination shall be disregarded or such other business shall not be transacted.

Section 2.5 List of Stockholders. The officer who has charge of the stock ledger shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date. Such list shall be arranged in alphabetical order and shall show the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing in this Section 2.5 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the

meeting. Except as otherwise required by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.5 or to vote in person or by proxy at any meeting of stockholders.

Section 2.6 Quorum. Except as otherwise required by law, the Certificate of Incorporation (including any Preferred Stock Designation) or these Bylaws, at any meeting of stockholders, the holders of a majority of the voting power of the stock outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or series or classes or series is required, the holders of a majority of the voting power of the stock of such class or series or classes or series outstanding and entitled to vote on that matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to such matter. If a quorum is not present or represented at any meeting of stockholders, then the chairman of the meeting, or a majority of the voting power of the stock present in person or represented by proxy at the meeting and entitled to vote thereon, shall have power to adjourn or recess the meeting from time to time in accordance with Section 2.7, until a quorum is present or represented. Subject to applicable law, if a quorum initially is present at any meeting of stockholders, the stockholders may continue to transact business until adjournment or recess, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, but if a quorum is not present at least initially, no business other than adjournment or recess may be transacted.

Section 2.7 Adjourned or Recessed Meeting. Any annual or special meeting of stockholders, whether or not a quorum is present, may be adjourned or recessed for any reason from time to time by the chairman of the meeting, subject to any rules and regulations adopted by the Board of Directors pursuant to Section 2.4(b), and may be adjourned for any reason from time to time by the holders of a majority of the voting power of the stock present in person or represented by proxy at the meeting and entitled to vote thereon. At any such adjourned or recessed meeting at which a quorum may be present, any business may be transacted that might have been transacted at the meeting as originally called.

Section 2.8 Voting.

(a) Except as otherwise required by law or the Certificate of Incorporation (including any Preferred Stock Designation), each holder of stock of the Corporation entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of such stock held of record by such holder that has voting power upon the subject matter in question.

(b) Except as otherwise required by law, the Certificate of Incorporation (including any Preferred Stock Designation), these Bylaws or any law, rule or regulation applicable to the Corporation or its securities, at each meeting of stockholders at which a quorum is present, all corporate actions to be taken by vote of the stockholders shall be authorized by the affirmative vote of the holders of at least a majority of the voting power of the stock present in person or represented by proxy and entitled to vote on the subject

matter, and where a separate vote by class or series or classes or series is required, if a quorum of such class or series or classes or series is present, such act shall be authorized by the affirmative vote of the holders of at least a majority of the voting power of the stock of such class or series or classes or series present in person or represented by proxy and entitled to vote on the subject matter. Voting at meetings of stockholders need not be by written ballot.

Section 2.9 Proxies. Every stockholder entitled to vote for directors, or on any other matter, shall have the right to do so either in person or by one or more persons authorized to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law

to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or executed new proxy bearing a later date.

Section 2.10 Notice of Stockholder Business and Nominations.

(a) Annual Meeting.

(i) Nominations of persons for election to the Board of Directors and the proposal of business other than nominations to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(a) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.10(a). For the avoidance of doubt, the foregoing clause (C) shall be the exclusive means for a stockholder to make nominations or propose other business (other than a proposal included in the Corporation's proxy statement pursuant to and in compliance with Rule 14a-8 under the Exchange Act) at an annual meeting of stockholders.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of the foregoing paragraph, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and, in the case of business other than nominations, such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business (as defined in Section 2.10(c)(ii) below) on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 30 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later

of the 90th day prior to such annual meeting or the 10th day following the date on which public announcement (as defined in Section 2.10(c)(ii) below) of the date of such meeting is first made by the Corporation. In no event shall an adjournment, recess or postponement of an annual meeting for which notice of the meeting has already been given to stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or re-election as a director (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act, and (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; provided, however, that, in addition to the information required in the stockholder's notice pursuant to this Section 2.10(a)(ii)(A), the Corporation may require each such person to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such person to serve as a director of the Corporation, including information relevant to a determination whether such person can be considered an independent director;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such stockholder and the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), if any, on whose behalf the proposal is made;

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made or the other business is proposed:

(1) the name and address of such stockholder, as they appear on the Corporation's books, and the name and address of such beneficial owner,

(2) the class or series and number of shares of stock of the Corporation which are owned of record by such stockholder and such beneficial owner as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation owned of record by the stockholder and such beneficial owner as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below), and

(3) a representation that the stockholder intends to appear in person or by proxy at the meeting to make such nomination or propose such business;

(D) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the nomination is made or the other business is proposed, as to such beneficial owner, and if such stockholder or beneficial owner is an entity, as to each director, executive, managing member or control person of such entity (any such individual or control person, a "control person"):

(1) the class or series and number of shares of stock of the Corporation which are beneficially owned (as defined in Section 2.10(c)(ii) below) by such stockholder or beneficial owner and by any control person as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation beneficially owned by such stockholder or beneficial owner and by any control person as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(2) a description of any agreement, arrangement or understanding with respect to the nomination or other business between or among such stockholder, beneficial owner or control person and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Exchange Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable)

and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(3) a description of any agreement, arrangement or understanding (including without limitation any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder, beneficial owner or control person, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class or series of the Corporation's stock, or maintain, increase or decrease the voting power of the stockholder, beneficial owner or control person with respect to securities of the Corporation, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(4) a representation whether the stockholder or the beneficial owner, if any, will engage in a solicitation with respect to the nomination or other business and, if so, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation and whether such person intends or is part of a group which intends to deliver a proxy statement and/or form of

proxy to holders of at least the percentage of the Corporation's stock required to approve or adopt the business to be proposed (in person or by proxy) by the stockholder.

(iii) Notwithstanding anything in Section 2.10(a)(ii) above or Section 2.10(b) below to the contrary, if the record date for determining the stockholders entitled to vote at any meeting of stockholders is different from the record date for determining the stockholders entitled to notice of the meeting, a stockholder's notice required by this Section 2.10 shall set forth a representation that the stockholder will notify the Corporation in writing within five business days after the record date for determining the stockholders entitled to vote at the meeting, or by the opening of business on the date of the meeting (whichever is earlier), of the information required under clauses (ii)(C)(2) and (ii)(D)(1)-(3) of this Section 2.10(a), and such information when provided to the Corporation shall be current as of the record date for determining the stockholders entitled to vote at the meeting.

(iv) This Section 2.10(a) shall not apply to a proposal proposed to be made by a stockholder if the stockholder has notified the Corporation of his or her intention to present the proposal at an annual or special meeting only pursuant to and in compliance with Rule 14a-8 under the Exchange Act and such proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such meeting.

(v) Notwithstanding anything in this Section 2.10(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for directors or specifying the size of the increased Board of Directors made by the Corporation at least 10 days prior to the last day a stockholder may deliver a notice in accordance with Section 2.10(a)(ii) above, a stockholder's notice required by this Section 2.10(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors (or any committee thereof) or (ii) provided that one or more directors are to be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(b) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who delivers a written notice setting forth the information required by Section 2.10(a) above. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons

(as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the notice required by this Section 2.10(b) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall an adjournment, recess or postponement of a special meeting for which notice of the meeting has already been given to stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(i) Except as otherwise required by law, only such persons who are nominated in accordance with the procedures set forth in this Section 2.10 shall be eligible to be elected at any meeting of stockholders of the Corporation to serve as directors and only such other business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.10. Except as otherwise provided by law or these Bylaws, and notwithstanding any other provision of these Bylaws, each of the Board of Directors or the chairman of the meeting shall have the power and duty to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.10 (including whether a stockholder or beneficial owner solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in compliance with such stockholder's representation as required by clause (a)(ii)(D)(4) of this Section 2.10). If any proposed nomination or other business is not in compliance with this Section 2.10, then except as otherwise required by law, the chairman of the meeting shall have the power and duty to declare that such nomination shall be disregarded or that such other business shall not be transacted. Notwithstanding the foregoing provisions of this Section 2.10, unless otherwise required by law, if the stockholder does not provide the information required under clauses (a)(ii)(C)(2) and (a)(ii)(D)(1)-(3) of this Section 2.10 to the Corporation within the time frames specified herein, or if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or other business, such nomination shall be disregarded and such other business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.10, to be considered a qualified representative of a stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the

writing) delivered to the Corporation prior to the making of such nomination or proposal at such meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(ii) For purposes of this Section 2.10, the "close of business" shall mean 6:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a business day, and a "public announcement" shall

mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act. For purposes of clause (a)(ii)(D)(1) of this Section 2.10, shares shall be treated as "beneficially owned" by a person if the person beneficially owns such shares, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Regulations 13D and 13G thereunder or has or shares pursuant to any agreement, arrangement or understanding (whether or not in writing): (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition or both), (B) the right to vote such shares, alone or in concert with others and/or (C) investment power with respect to such shares, including the power to dispose of, or to direct the disposition of, such shares.

(iii) Nothing in this Section 2.10 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation (including any Preferred Stock Designation).

Section 2.11 No Action by Written Consent.

Except as otherwise provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders.

Section 2.12 Inspectors of Election. Before any meeting of stockholders, the Corporation may, and shall if required by law, appoint one or more inspectors of election to act at the meeting and make a written report thereof. Inspectors may be employees of the Corporation. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. Inspectors need not be stockholders. No director or nominee for the office of director at an election shall be appointed as an inspector at such election.

Such inspectors shall:

(a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the validity of proxies and ballots;

(b) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors;

(c) count and tabulate all votes and ballots; and

(d) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

Section 2.13 Meetings by Remote Communications. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the DGCL. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication (a) participate in a meeting of stockholders and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder; (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III
DIRECTORS

Section 3.1 Powers. Subject to the provisions of the DGCL and to any limitations in the Certificate of Incorporation relating to action required to be approved by the stockholders, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities these Bylaws expressly confer upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws required to be exercised or done by the stockholders.

Section 3.2 Number and Election. Except as otherwise provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), the Board of Directors shall consist of such number of directors as shall be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the total number of directors then authorized (hereinafter referred to as the "Whole Board").

At any meeting of stockholders at which directors are to be elected, each nominee for election as a director in an uncontested election shall be elected if the number of votes cast for the nominee's election exceeds the number of votes cast against the nominee's election. In all director elections other than uncontested elections, the nominees for election as a director shall be elected by a plurality of the votes cast. For purposes of this Section 3.2, an "uncontested election" means any meeting of stockholders at which the number of candidates does not exceed the number of directors to be elected and with respect to which (a) no stockholder has submitted notice of an intent to nominate a

candidate for election at such meeting in accordance with Section 2.10, or (b) such a notice has been submitted, and on or before the fifth business day prior to the date that the Corporation files its definitive proxy statement relating to such meeting with the Securities and Exchange Commission (regardless of whether thereafter revised or supplemented), the notice has been (i) withdrawn in writing to Secretary of the Corporation, (ii) determined not to be a valid notice of nomination, with such determination to be made by the Board of Directors (or a committee thereof) pursuant to Section 2.10, or if challenged in court, by a final court order, or (iii) determined by the Board of Directors (or a committee thereof) not to create a *bona fide* election contest.

Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed.

Section 3.3 Vacancies. Subject to the rights of the holders of any outstanding series of Preferred Stock, and unless otherwise required by law, newly created directorships resulting from any increase in the authorized number of directors and any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum, or by the sole remaining director, and any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

Section 3.4 Resignations and Removal.

(a) Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chairman of the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect upon delivery, unless the resignation specifies a later effective date or time or an effective date or time determined upon the happening of an event or events. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(b) Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the stock outstanding and entitled to vote thereon.

Section 3.5 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, on such date or dates and at such time or times, as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 3.6 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors, the Chief Executive Officer or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place, within or without the State of Delaware, date and time of such meetings. Notice of each such meeting shall be given to each director, if by mail, addressed to such director at his or her residence or usual place of business, at least five days before the day on which such meeting is to be held, or shall be sent to such director by electronic transmission, or be delivered personally or by telephone, in each case at least 24 hours prior to the time set for such meeting. A notice of special meeting need not state the purpose of such meeting, and, unless indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 3.7 Participation in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

Section 3.8 Quorum and Voting. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, a majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors. The chairman of the meeting or a majority of the directors present may adjourn the meeting to another time and place whether or not a quorum is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 3.9 Board of Directors Action by Written Consent Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting, provided that all members of the Board of Directors or committee, as the case may be, consent in writing or by electronic transmission to such action, and the writing or writings or electronic transmission or transmissions are filed with the minutes or proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action shall be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

Section 3.10 Chairman of the Board. The Chairman of the Board shall preside at meetings of stockholders and directors and shall perform such other duties as the Board of Directors may from time to time determine. If the Chairman of the Board is not present at a meeting of the Board of Directors, another director chosen by the Board of Directors shall preside.

Section 3.11 Rules and Regulations. The Board of Directors shall adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings and management of the affairs of the Corporation as the Board of Directors shall deem proper.

Section 3.12 Fees and Compensation of Directors. Directors may receive such compensation, if any, for their services on the Board of Directors and its committees, and such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors.

Section 3.13 Emergency Bylaws. In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee of the Board of Directors cannot readily be convened for action, then the director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board of Directors as they shall deem necessary and appropriate.

ARTICLE IV
COMMITTEES

Section 4.1 Committees of the Board of Directors. The Board of Directors may, by resolution adopted by a majority of the Whole Board, designate one or more committees, each such committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by law and provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval; or (b) adopting, amending or repealing any bylaw of the Corporation. All committees of the

Board of Directors shall keep minutes of their meetings and shall report their proceedings to the Board of Directors when requested or required by the Board of Directors.

Section 4.2 Meetings and Action of Committees. Unless the Board of Directors provides otherwise by resolution, any committee of the Board of Directors may adopt, alter and repeal such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings as such committee may deem proper.

ARTICLE V
OFFICERS

Section 5.1 Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a Chief Financial Officer, one or more Vice Presidents, a Secretary, a Treasurer, a Controller and such other officers as the Board of Directors may from time to time determine, each of whom shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be elected by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly elected and qualified, or until such person's earlier death, disqualification, resignation or removal. Any number of offices may be held by the same person; provided, however, that no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law, the Certificate of Incorporation or these Bylaws to be executed, acknowledged or verified by two or more officers. The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

Section 5.2 Compensation. The salaries of the executive officers of the Corporation and the manner and time of the payment of such salaries shall be fixed and determined by the Board of Directors and may be altered by the Board of Directors from time to time as it deems appropriate, subject to the rights, if any, of such officers under any contract of employment.

Section 5.3 Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon notice given in writing or by electronic transmission to the Corporation, without prejudice to the rights, if any, of the Corporation under any contract to which such officer is a party. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly elected and qualified.

Section 5.4 Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy of the Corporation, shall be responsible for management and control of the operations of the Corporation, and shall report directly to

the Board of Directors. Unless otherwise provided in these Bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer. The Chief Executive Officer shall, if present and in the absence of the Chairman of the Board of Directors, preside at meetings of the stockholders.

Section 5.5 Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors or the Chief Executive Officer may from time to time determine.

Section 5.6 Vice Presidents. Each Vice President shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors or the Chief Executive Officer may from time to time determine.

Section 5.7 Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the Chief Financial Officer may from time to time determine.

Section 5.8 Controller. The Controller shall be the chief accounting officer of the Corporation. The Controller shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the Chief Financial Officer may from time to time determine.

Section 5.9 Secretary. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary

shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors or the Chief Executive Officer may from time to time determine.

Section 5.10 Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Vice President, Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

Section 5.11 Action with Respect to Securities of Other Corporations or Entities. The Chief Executive Officer or any other officer of the Corporation authorized by the Board of Directors or the Chief Executive Officer is authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares or other equity interests of any other corporation or entity or corporations or entities, standing in the name of the Corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

Section 5.12 Delegation. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding the foregoing provisions of this Article V.

ARTICLE VI
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.1 Right to Indemnification.

(a) Each person who was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative or legislative hearing, investigation or any other threatened, pending or completed proceeding, whether brought by or in the right of the Corporation or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative or other nature (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), or by reason of anything done or not done by him or her in any such capacity, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement by or on behalf of the indemnitee) actually and reasonably incurred by such indemnitee in connection therewith; provided, however, that, except as otherwise required by law or

provided in Section 6.3 with respect to proceedings to enforce rights under this Article VI, the Corporation shall indemnify any such indemnitee in connection with a proceeding, or part thereof, initiated by such indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (i) such indemnitee, or (ii) the Corporation in a proceeding initiated by such indemnitee) only if such proceeding, or part thereof, was authorized or ratified by the Board of Directors.

(b) To receive indemnification under this Section 6.1, an indemnitee shall submit a written request to the Secretary of the Corporation. Such request shall include documentation or information that is necessary to determine the entitlement of the indemnitee to indemnification and that is reasonably available to the indemnitee. Upon receipt by the Secretary of the Corporation of such a written request, the entitlement of the indemnitee to indemnification shall be determined by the following person or persons who shall be empowered to make such determination: (i) the Board of Directors by a majority vote of the directors who are not parties to such proceeding, whether or not such majority constitutes a quorum, (ii) a committee of such directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the indemnitee, (iv) the stockholders of the Corporation or (v) in the event that a change of control (as defined below) has occurred, by independent legal counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the indemnitee. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the Corporation not later than 60 days after receipt by the Secretary of the Corporation of a written request for indemnification, following the final disposition of the proceeding. For purposes of this Section 6.1(b), a "change of control" will be deemed to have occurred if the individuals who, as of the effective date of these Bylaws, constitute the Board of Directors (the "incumbent board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to such effective date whose election, or nomination for

election by the stockholders of the Corporation, was approved by a vote of at least a majority of the directors then comprising the incumbent board shall be considered as though such individual were a member of the incumbent board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors.

Section 6.2 Right to Advancement of Expenses.

(a) In addition to the right to indemnification conferred in Section 6.1, an indemnitee shall, to the fullest extent not prohibited by law, also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any proceeding with respect to which indemnification is required under Section 6.1 in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all

amounts so advanced if it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article VI or otherwise.

(b) To receive an advancement of expenses under this Section 6.2, an indemnitee shall submit a written request to the Secretary of the Corporation. Such request shall reasonably evidence the expenses incurred by the indemnitee and shall include or be accompanied by the undertaking required by Section 6.2(a). Each such advancement of expenses shall be made within 20 days after the receipt by the Secretary of the Corporation of a written request for advancement of expenses.

Section 6.3 Right of Indemnitee to Bring Suit. In the event that a determination is made that the indemnitee is not entitled to indemnification, or if payment is not timely made following a determination of entitlement to indemnification pursuant to Section 6.1(b) or if an advancement of expenses is not timely made under Section 6.2(b), the indemnitee may at any time thereafter bring suit against the Corporation in a court of competent jurisdiction in the State of Delaware seeking an adjudication of entitlement to such indemnification or advancement of expenses. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit to the fullest extent permitted by law. In any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Further, in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under applicable law, this Article VI or otherwise shall be on the Corporation.

Section 6.4 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other

right which any person may have or hereafter acquire under any law, agreement, vote of stockholders or disinterested directors, provisions of a certificate of incorporation or bylaws, or otherwise.

Section 6.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 6.6 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent and in the manner permitted by applicable law, and to the extent authorized from time to time, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation.

Section 6.7 Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

Section 6.8 Settlement of Claims. Notwithstanding anything in this Article VI to the contrary, the Corporation shall not be liable to indemnify any indemnitee under this Article VI for any amounts paid in settlement of any proceeding effected without the Corporation's written consent, which consent shall not be unreasonably withheld, or for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such proceeding.

Section 6.9 Subrogation. In the event of payment under this Article VI, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 6.10 Severability. If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, all portions of any paragraph

of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable)

shall be construed so as to give effect to the intent of the parties that the Corporation provide protection to the indemnitee to the fullest enforceable extent.

ARTICLE VII
CAPITAL STOCK

Section 7.1 Certificates of Stock. The shares of the Corporation shall be represented by certificates; provided, however, that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman of the Board of Directors or a Vice President, and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. Any or all such signatures may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 7.2 Special Designation on Certificates. If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 7.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this Section 7.2 a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly required by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 7.3 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation upon authorization by the registered

holder thereof or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent for such stock, and if such shares are represented by a certificate, upon surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of any taxes thereon; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer.

Section 7.4 Lost Certificates. The Corporation may issue a new share certificate or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or the owner's legal representative to give the Corporation a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. The Board of Directors may adopt such other provisions and restrictions with reference to lost certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

Section 7.5 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7.6 Record Date for Determining Stockholders.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjourned meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjourned meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action,

the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Unless otherwise restricted by the Certificate of Incorporation (including any Preferred Stock Designation), in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have stockholders express consent to corporate action in writing without a meeting shall, by written notice to the Secretary of the Corporation, request that the Board of Directors fix a record date. The Board of Directors shall promptly, but in all events within 10 days after the date upon which such request is received, adopt a resolution fixing the record date (unless a record date has previously been fixed by the Board of Directors pursuant to the first sentence of this Section 7.6(c)).

Section 7.7 Regulations. To the extent permitted by applicable law, the Board of Directors may make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares of stock of the Corporation.

Section 7.8 Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL or the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, the Board of Directors or a committee of the Board of Directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

ARTICLE VIII
GENERAL MATTERS

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July of each year and end on the last day of June of the next calendar year, or shall be such other 12 consecutive months as the Board of Directors may designate.

Section 8.2 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary of the Corporation. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 8.3 Reliance Upon Books, Reports and Records. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 8.4 Subject to Law and Certificate of Incorporation. All powers, duties and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the Certificate of Incorporation and applicable law.

ARTICLE IX
FORUM FOR ADJUDICATION OF DISPUTES

Section 9.1 Forum. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring: (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the DGCL or the Corporation's Certificate of Incorporation or Bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine, shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). Any person or entity purchasing or otherwise acquiring any interest in shares of stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article IX.

If any provision of this Article IX shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of this Article IX (including, without limitation, each portion of any sentence of this Article IX containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE X
AMENDMENTS

Section 10.1 Amendments. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal these Bylaws. Except as otherwise provided in the Certificate of Incorporation or these Bylaws, and in addition to any requirements of law, the affirmative vote of the holders of at least $66^{2}/_{3}\%$ of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal, or adopt any provision inconsistent with, Section 2.2, Section 2.10, Article III, Article VI, Section 7.6 or this Article X.

Section 10.2 The foregoing Bylaws were adopted by the Board of Directors on March 4, 2015 and are effective as of , 2015.

Exhibit 4.1


solaredge
SolarEdge Technologies, Inc.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP
THIS CERTIFIES THAT
SPECIMEN
IS THE RECORD HOLDER OF
FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK $0.0001 PAR VALUE PER SHARE, OF
SolarEdge Technologies, Inc.
transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed.
This certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.
Witness the facsimile signatures of the Corporation's duly authorized officers.
Dated:
VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY
G. Sella
CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD
COUNTERSIGNED AND REGISTERED: AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
AUTHORIZED OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	– as tenants in common
TEN ENT	– as tenants by the entireties
JT TEN	– as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT– _____ (Cust) Custodian _____ (Minor)
under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER

_____

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

_____

_____ shares of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

_____
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

Exhibit 5.1

March 10, 2015

SolarEdge Technologies, Inc.
47505 SeaBridge Drive
Fremont, CA 94538

Re: *SolarEdge Technologies, Inc.*
Registration Statement on Form S-1 (File No. 333-202159)

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-1, File No. 333-202159, as amended (the "Registration Statement"), of SolarEdge Technologies, Inc., a Delaware corporation (the "Company"), filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offering by the Company of up to 8,050,000 shares (including shares that may be sold upon exercise of the underwriters' option to purchase additional shares) of the Company's common stock (the "Common Stock"), par value $0.0001 per share (the "Shares).

In arriving at the opinion expressed below, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true and complete copies of the originals, of specimen Common Stock certificates and such other documents, corporate records, certificates of officers of the Company and of public officials and other instruments as we have deemed necessary or advisable to enable us to render the opinions set forth below. In our examination, we have assumed without independent investigation the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies.

Based upon the foregoing, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, we are of the opinion that the Shares, when issued against payment therefor as set forth in the Registration Statement, will be validly issued, fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission.

Very truly yours,

/s/ Gibson, Dunn & Crutcher LLP

SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "Agreement") dated as of February 17, 2015 (the "Effective Date") is among (a) SILICON VALLEY BANK, a California corporation ("Bank"), and (b) (i) SOLAREDGE TECHNOLOGIES, LTD., a company organized under the laws of the State of Israel ("Ltd"), (ii) SOLAREDGE TECHNOLOGIES, INC., a Delaware corporation ("Inc"), and (iii) SOLAREDGE TECHNOLOGIES GMBH, a company with limited liability formed and **organized under the laws of Germany, registered with the commercial register of the local court of Munich under** registration number HRB 195428 ("GmbH") (Ltd, Inc, and GmbH are hereinafter jointly and severally, individually and collectively, referred to as "Borrower"), and provides the terms on which Bank shall lend to Borrower, and Borrower shall repay Bank. This Agreement amends and restates in its entirety that certain Amended and Restated Loan and Security Agreement dated as of January 8, 2013, among Borrower and Bank, as amended by that certain First Amendment to Loan and Security Agreement dated as of April 30, 2013, as further amended by that certain Second Amendment to Loan and Security Agreement dated as of June 30, 2013, and as further amended by that certain Third Amendment to Amended and Restated Loan and Security Agreement dated as of February 27, 2014 (as amended, the "Prior Agreement"). The parties agree that the Prior Agreement is hereby superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Except as otherwise provided in this Agreement, calculations and determinations must be made following GAAP; *provided* that if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Bank shall so request, Borrower and Bank shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; *provided, further,* that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior **to such change therein and (b) Borrower shall provide Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of** such ratio or requirement made before and after giving effect to such change in GAAP. The term "financial statements" includes the notes and schedules. Capitalized terms not otherwise defined in this Agreement shall have **the meanings set forth in Section 13 of this Agreement. All other terms contained in this Agreement, unless** otherwise indicated, shall have the meanings provided by the Code to the extent such terms are defined therein, and by any other applicable law.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon together with any fees and **Finance Charges as and when due in accordance with this Agreement.**

2.1.1 Financing of Accounts

(a) Availability.

(i) Subject to the terms of this Agreement and provided that Borrower is not Streamline Facility Eligible, Inc and/or Ltd may request that Bank finance specific Eligible Accounts. Bank may, in its good faith business discretion, finance such Eligible Accounts by extending credit to Inc and/or Ltd in an amount equal to the result of the Advance Rate multiplied by the face amount of the Eligible Account. Bank may, in its sole discretion, change the **percentage of the Advance Rate for a particular Eligible Account on a case by case basis.**

(ii) Subject to the terms of this Agreement and provided that Borrower is Streamline Facility Eligible, Inc and/or Ltd may request that Bank finance Eligible Accounts on an aggregate basis (the "Aggregate Eligible Accounts"). Bank may, in its good faith business discretion, finance Aggregate Eligible Accounts by extending credit to Inc and/or Ltd in an amount equal to the result of the Advance Rate multiplied by the face amount of the Aggregate Eligible Accounts.

Bank may, in its sole discretion, change the percentage of the Advance Rate and/or Borrowing Base for the Aggregate Eligible Accounts on a case by case basis.

(iii) Any extension of credit made pursuant to the terms of subsections (i) or (ii) above shall hereinafter be referred to as an "Advance". When Bank makes an Advance, the **Eligible Account or Aggregate Eligible Accounts each become a separate "Financed Receivable". GmbH acknowledges, confirms, and agrees that it may not request Advances hereunder.**

(b) Maximum Advances.

(i) The aggregate face amount of all Financed Receivables outstanding at any time may not exceed the Facility Amount. In addition to and notwithstanding the foregoing, (A) the **aggregate amount of Advances outstanding at any time may not exceed the Maximum Availability** Amount and (B) the aggregate amount of Advances outstanding hereunder based upon Aggregate Eligible Accounts may not exceed at any time the Availability Amount.

(ii) If, at any time, amounts outstanding exceed the amounts set forth in this Section 2.1.l(b), Borrower shall immediately pay to Bank in cash such excess amount, and Borrower hereby irrevocably authorizes Bank to debit any of its accounts maintained with Bank or any of **Bank's Affiliates in connection therewith.**

(c) Borrowing Procedure. Inc and/or Ltd will deliver an Advance Request and Invoice Transmittal in the form attached hereto as Exhibit C signed by a Responsible Officer of Inc and/or Ltd for each **Credit Extension it requests, accompanied by (i) an accounts receivable aging and a Borrowing Base Certificate in** the form attached hereto as Exhibit D, with respect to requests for Advances based upon Aggregate Eligible **Accounts, or (ii) invoices, with respect to requests for Advances based upon Eligible Accounts. Bank may rely on** information set forth in or provided with the Advance Request and Invoice Transmittal. In addition, upon Bank's **request, Borrower shall deliver to Bank any contracts, purchase orders, shipping documents, or other underlying** supporting documentation with respect to any Eligible Account (including those Eligible Accounts comprising the Aggregate Eligible Accounts).

(d) Credit Quality; Confirmations. Bank may, at its option, conduct a credit check of the **Account Debtor for each Account requested by Borrower for financing hereunder to approve any such Account Debtor's credit before agreeing to finance such Account. Bank may also verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts (including confirmations of Borrower's representations in Section 5.3 of this Agreement) by means of mail, telephone or otherwise, either in the name of Borrower or Bank from time to time in its sole discretion; provided, however, Bank wil1 notify Borrower prior to making any direct contact with Borrower's Account Debtors, unless an Event of Default has occurred and is continuing.**

(e) Accounts Notification/Collection. Bank may notify any Account Debtor of Bank's security interest in the Borrower's Accounts and verify and/or collect them; provided, however, Bank will notify **Borrower prior to making any direct contact with Borrower's Account Debtors, unless an Event of Default has occurred and is continuing.**

(f) Early Termination. This Agreement may be terminated prior to the Maturity Date as follows; (i) by Borrower, effective three (3) Business Days after written notice of termination is given to Bank; or **(ii) by Bank at any time after the occurrence and during the continuance of an Event of Default, without notice,** effective immediately.

(g) Maturity. This Agreement shall terminate and all Obligations outstanding hereunder shall be immediately due and payable in full on the Maturity Date.

(h) Suspension of Credit Extensions. Inc's and/or Ltd's ability to request that Bank make **Credit Extensions hereunder will terminate if, in Bank's sole discretion, there has been a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment**

of the Obligations, or there has been any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank prior to the Effective Date.

(i) End of Streamline Facility Eligible Status. On any day that Borrower ceases to be Streamline Facility Eligible, (i) all outstanding Advances made based on Aggregate Eligible Accounts shall be immediately due and payable, together with all Finance Charges accrued thereon, (ii) all Bank Services shall immediately be cash secured pursuant to the terms of Section 4.1 and (iii) Obligations in connection with Credit Extensions provided under Sections 2.1.2, 2.1.3 and 2.1.4 hereof shall immediately be cash secured as provided in such sections. Provided no Event of Default then exists hereunder and subject to the terms of this Agreement, Bank **may, in its good faith business discretion, refinance the outstanding principal amount of such Advances with new** Advances made based on specific Eligible Accounts (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof). In connection with same, Borrower shall deliver to Bank an Advance Request and Invoice Transmittal in the form attached hereto as Exhibit C containing detailed invoice reporting, signed by a **Responsible Officer, together with a current accounts receivable aging and a copy of each invoice, all in accordance** with Section 6.2(g) hereof and Bank may, in its good faith business discretion, finance same (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof) and each Eligible Account financed shall thereafter be deemed to be a Financed Receivable for purposes of this Agreement. If, following such determination, the outstanding principal amount of the Obligations in connection with Advances made pursuant to Section 2.1.1 exceeds the amount of Advances Bank has agreed to make based on specific Eligible Accounts, Borrower shall immediately pay to Bank the excess and, in connection with same, hereby irrevocably authorizes Bank to debit any account of Borrower maintained by Borrower with Bank or any of Bank's Affiliates for the amount of such excess.

(j) Commencement of Streamline Facility Eligible Status. On any day that Borrower becomes Streamline Facility Eligible, all outstanding Advances made based on Eligible Accounts shall be immediately due and payable, together with all Finance Charges and Collateral Handling Fees accrued thereon. Provided no Event of Default then exists hereunder and subject to the terms of this Agreement, Bank shall refinance such Advances with new Advances made based on Aggregate Eligible Accounts (in accordance with this **Agreement, including, without limitation, Section 2.1.1 hereof). In connection with such request, Borrower shall** deliver to Bank (i) an Advance Request and Invoice Transmittal in the form attached hereto as Exhibit C containing **a current accounts receivable aging, and (ii) a Borrowing Base Certificate in the form attached hereto as Exhibit D,** and Bank shall refinance the outstanding principal amount of such Advances with new Advances made based on Aggregate Eligible Accounts (in accordance with this Agreement, including, without limitation, Section 2.1.1 hereof) and the Aggregate Eligible Accounts financed shall thereafter be deemed to be a Financed Receivable for purposes of this Agreement. If, following such determination, the outstanding principal amount of the Obligations **in connection with Advances made pursuant to Section 2.1.1 exceeds the amount of Advances Bank has agreed to** make based on Aggregate Eligible Accounts, Borrower shall immediately pay to Bank the excess and, in connection with same, hereby irrevocably authorizes Bank to debit any account of Borrower maintained by Borrower with Bank or any of Bank's Affiliates for the amount of such excess.

2.1.2 Letters of Credit.

(a) Upon Borrower's request, Bank shall issue or have issued Letters of Credit denominated in Dollars or a Foreign Currency for Borrower's account. The aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve) may not exceed One Million Dollars ($1,000,000.00), minus (i) the sum of all amounts used for Cash Management Services, and minus (ii) the FX Reduction Amount.

(b) If, on the Maturity Date (or the effective date of any termination of this Agreement), or any date when Borrower ceases to be Streamline Facility Eligible, there are any outstanding Letters of Credit, then on any such date Borrower shall provide to Bank cash collateral in an amount equal to one hundred five percent (105.0%) (if the Letter of Credit is denominated in Dollars) or one hundred ten percent (110.0%) (if the Letter of Credit is denominated in a Foreign Currency) of the aggregate Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or estimated by Bank to become due in connection therewith, to secure all of the Obligations relating to such Letters of Credit. All Letters of Credit shall be in form and substance acceptable to Bank in its reasonable discretion and shall be subject to the terms and conditions of Bank's standard Application and Letter of Credit Agreement (the "Letter of Credit Application"). Borrower agrees to execute any further documentation in connection with the Letters of Credit as Bank may reasonably request. Borrower further

agrees to be bound by the regulations and interpretations of the issuer of any Letters of Credit guarantied by Bank and opened for Borrower's account or by Bank's interpretations of any Letter of Credit issued by Bank for **Borrower's account, and Borrower understands and agrees that Bank shall not be liable for any error, negligence, or** mistake, whether of omission or commission (but excluding gross negligence or willful misconduct), in following **Borrower's instructions or those contained in the Letters of Credit or any modifications, amendments, or supplements thereto.**

(c) The obligation of Borrower to immediately reimburse Bank for drawings made under Letters of Credit shall be absolute, unconditional, and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, such Letters of Credit, and the Letter of Credit Application.

(d) Borrower may request that Bank issue a Letter of Credit payable in a Foreign Currency. If a demand for payment is made under any such Letter of Credit, Bank shall treat such demand as an Advance to Borrower of the Dollar Equivalent of the amount thereof (plus customary fees and charges in connection therewith such as wire, cable, SW!Ff or similar charges).

(e) To guard against fluctuations in currency exchange rates, upon the issuance of any Letter of Credit payable in a Foreign Currency, Bank shall create a reserve (the "Letter of Credit Reserve") under the Revolving Line in an amount equal to ten percent (I0.0%) of the face amount of such Letter of Credit. The amount of the Letter of Credit Reserve may be adjusted by Bank from time to time to account for fluctuations in the **exchange rate.**

2.1.3 Foreign Exchange. Borrower may enter into foreign exchange contracts with Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency (each, a "FX Contract") on a specified date (the "Settlement Date"). FX Contracts shall have a Settlement Date of at least one (1) PX Business Day after the contract date and shall be subject to a reserve of ten percent (10.0%) of each outstanding FX Contract. The aggregate amount of FX Contracts at any one time may not exceed ten (I0) times One Million Dollars ($1,000,000.00), minus (a) the sum of all amounts used for Cash Management Services, and minus (b) the aggregate Dollar Equivalent of the face amount of any outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve). An amount equal to ten percent (10.0%) of each outstanding FX Contract is referred to herein as the "FX Reduction Amount". Any amounts needed to fully **reimburse Bank for any amounts not paid by Borrower in connection with FX Contracts will accrue interest at the** highest interest rate applicable to Advances. If, on the Maturity Date (or the effective date of any termination of this Agreement), or any date when Borrower ceases to be Streamline Facility Eligible, there are any outstanding FX Contracts, then on such date Borrower shall provide to Bank cash collateral acceptable to Bank in its good faith business judgment to secure all of the Obligations relating to such FX Contracts.

2.1.4 Cash Management Services. Borrower may use an aggregate amount not to exceed One Million Dollars ($1,000,000.00), minus (a) the aggregate Dollar Equivalent of the face amount of any outstanding Letters of Credit (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve), and minus (b) the FX **Reduction Amount, for Bank's cash management services which may include merchant services, direct deposit of payroll, business credit card, and check cashing services identified in Bank's various cash management services** agreements (collectively, the "Cash Management Services"). Any amounts Bank pays on behalf of Borrower for **any Cash Management Services will accrue interest at the highest interest rate applicable to Advances. If, on the** Maturity Date (or the effective date of any termination of this Agreement), or any date when Borrower ceases to be **Streamline Facility Eligible, there are any outstanding Cash Management Services, then on such date Borrower shall** provide to Bank cash collateral acceptable to Bank in its good faith business judgment to secure all of the **Obligations relating to such Cash Management Services.**

2.1.5 Bank Services. The facilities provided in Sections 2.1.2, 2.1.3 and 2.1.4 of this Agreement shall not limit Borrower and Bank in (a) entering into Bank Services and Bank Services Agreements outside of this **Agreement and/or (b) maintaining Bank Services and Bank Services Agreements made outside of this Agreement** and existing on the Effective Date. In addition, Bank hereby acknowledges and agrees that those two (2) certain letters of credit issued by Bank for the benefit of Borrower and that certain cash management facility in the amount of Forty Thousand Dollars ($40,000.00), in each case provided by Bank to Borrower outside of this Agreement and existing as of the Effective Date, shall not reduce the availability of the facilities provided in Sections 2.1.2, 2.1.3 and 2.1.4 of this Agreement.

2.2 Collections, Finance Charges, Remittances and Fees. The Obligations shall be subject to the **following fees and Finance Charges. Unpaid fees and Finance Charges may, in Bank's discretion, accrue interest at** the then highest rate applicable to the Obligations under this Agreement.

2.3 Collections. Collections will be credited to the Financed Receivable Balance for such Financed Receivable as set forth in Section 2.9 of this Agreement, but if there is an Event of Default that is continuing, Bank may apply Collections to the Obligations in any order it chooses. If Bank receives a payment for both a Financed Receivable and a non-Financed Receivable, the funds will first be applied to the Financed Receivable as set forth in Section 2.9 of this Agreement and, if there is no Event of Default then existing, the excess will be remitted to Borrower, subject to Section 2.9 of this Agreement.

2.4 Loan Fees.

(a) A fully earned. non-refundable facility fee of Forty-Five Thousand Dollars ($45,000.00) is due upon the Effective Date (the "Facility Fee").

(b) A fully earned, non-refundable anniversary fee of Twenty-Five Thousand Dollars ($25,000.00) (the "Anniversary Fee") shall be earned as of the Effective Date, and shall be due and payable on the earlier of (i) the date that is one (1) year from the Effective Date, or (ii) the occurrence of an Event of Default.

The Facility Fee and the Anniversary Fee are hereinafter collectively referred to as the "Loan Fees".

2.5 Finance Charges. In computing Finance Charges on the Obligations under this Agreement, all Collections received by Bank shall be deemed applied by Bank on account of the Obligations two (2) Business Days after receipt of the Collections. Borrower will pay a finance charge (the "Finance Charge") on the Financed Receivable Balance or Account Balance (as applicable) which is equal to the Applicable Rate divided by 360 multiplied by the number of days each such Financed Receivable is outstanding multiplied by (a) with respect to Financed Receivables based on Eligible Accounts, the outstanding Financed Receivable Balance with respect to such Financed Receivables, and (b) with respect to Financed Receivables based on Aggregate Eligible Accounts, the outstanding Account Balance. Except as otherwise provided in Section 2.1.l(i), Section 2. l.IG) and/or Section 2.11.1(b)(i), the Finance Charge is payable when the Advance made based on such Financed Receivable is due and payable in accordance with Section 2.11 of this Agreement. Immediately upon the occurrence and during the continuance of an Event of Default, the Applicable Rate will increase an additional five percent (5.0%) per annum **with respect to Obligations.**

2.6 Collateral Handling Fee. With respect to Financed Receivables based upon Eligible Accounts, Borrower will pay to Bank a collateral handling fee equal to 0.20% per Reconciliation Period of the Financed Receivable Balance for each such Financed Receivable outstanding based upon a 360 day year (the "Collateral Handling Fee"). The Collateral Handling Fee is charged on a daily basis and is equal to the Collateral Handling Fee divided by 30, multiplied by the

number of days each such Financed Receivable is outstanding, multiplied by the outstanding Financed Receivable Balance. Except as otherwise provided in Section 2.1.1GJ, the Collateral Handling Fee is payable when the Advance made based on such Financed Receivable is payable in accordance with Section 2.11 of this Agreement. In computing Collateral Handling Fees under this Agreement, all Collections received by Bank shall be deemed applied by Bank on account of Obligations two (2) Business Days after receipt of the Collections. Immediately upon the occurrence and during the continuance of an Event of Default, the Collateral Handling Fee will increase an additional 0.50%.

2.7 Accounting. After each Reconciliation Period, Bank will provide Borrower with an accounting of the transactions for that Reconciliation Period, including the amount of all Financed Receivables, all Collections, Adjustments, Finance Charges, Collateral Handling Fees, and the Loan Fees. If Borrower does not object to the accounting in writing within thirty (30) days it shall be considered accurate. All Finance Charges and other interest and fees are calculated on the basis of a 360 day year and actual days elapsed.

2.8 Deductions. Bank may deduct fees, Bank Expenses, Finance Charges, Collateral Handling Fees, Unused Line Facility Fees, Advances which become due pursuant to Section 2.11 of this Agreement, and other amounts due pursuant to this Agreement from any Credit Extensions made or Collections received by Bank.

2.9 Lockbox; Account Collection Services

(a) (i) Inc and Ltd shall direct each Account Debtor (and each depository institution where proceeds of Accounts are on deposit) to remit payments with respect to the Accounts of Inc and Ltd to a lockbox account established with Bank or to wire transfer payments to a cash collateral account that Bank controls (collectively, the **"Lockbox"),** and (ii) GmbH shall direct each Account Debtor (and each depository institution where proceeds of Accounts are on deposit) to wire transfer payments with respect to the Accounts of GmbH to cash collateral accounts established with Bank or which Bank controls, as directed by Bank (such accounts referred to collectively as the **"German Collections Account"),** provided, however, the Shekel Accounts of Ltd are not required to be collected in the Lockbox or the German Collections Account. It will be considered an immediate Event of Default if the Lockbox or the German Collections Account are not established and operational on the Effective Date and at all times thereafter.

(b) GmbH shall at all times get in and realise and pay into the German Collections Account all monies which GmbH may receive in respect of the Accounts, and shall not draw money from such account **except to the extent permitted in writing by Bank. GmbH shall not at any time without the prior written consent of** Bank deal with the Accounts (or the proceeds of Accounts) or other monies otherwise than by getting in the same and paying them into the German Collections Account. Without prejudice to the generality of the foregoing, GmbH **shall not at any such time factor or discount any of the Accounts or their proceeds or enter into any agreement for such factoring or discounting and shall not, without the prior written consent of Bank, release, exchange, compound,** set off, grant time or indulgence in respect of, or in any other manner deal with all or any of the Accounts or their proceeds. Notwithstanding any terms in this Agreement to the contrary, Bank shall have absolute discretion as to the sums (if any) it permits Borrower, on a case by case basis, to withdraw from the German Collections Account, and Bank shall have no obligation to allow Borrower to withdraw any sums in the German Collections Account. Bank may at its absolute discretion apply the proceeds of any Accounts credited to the German Collections Account to the Obligations.

(c) Upon receipt by Borrower of any proceeds of Accounts that are required to be paid to the Lockbox and the German Collections Account, Borrower shall immediately transfer and deliver same to Bank, along with a detailed cash receipts journal.

(d) Without prejudice to Section 2.9(b), provided no Event of Default exists and is continuing or an event that with notice or lapse of time will be an Event of Default, within three (3) days of receipt of such amounts by Bank, Bank will turn over to Borrower (to a deposit account of Borrower maintained with Bank) the proceeds of the Accounts (whether received by Bank in the Lockbox, directly from Borrower, or otherwise but excluding any proceeds of Accounts paid into the German Collections Account, the withdrawal or transfer of which Bank shall have sole and absolute discretion over) other than Collections with respect to Financed Receivables based upon Eligible Accounts and the amount of Collections in excess of the amounts for which Bank has made an Advance to Borrower based upon Eligible Accounts, which amounts shall be used to repay the applicable outstanding Advance(s) and any other amounts due to Bank, such as the Finance Charge, the Loan Fees, Collateral Handling Fees, Unused Line Facility Fees and Bank Expenses; provided, however, Bank may hold any proceeds of the Accounts (whether received by Bank in the Lockbox, the German Collections Account, directly from Borrower, or otherwise and whether or not in respect of Financed Receivables) as a reserve until the end of the applicable Reconciliation Period if Bank, in its discretion, determines that other Financed Receivable(s) may no longer qualify as an Eligible Account or Aggregate Eligible Accounts at any time prior to the end of the subject Reconciliation Period.

(e) This Section 2.9 does not impose any affirmative duty on Bank to perform any act other than as specifically set forth herein. All Accounts and the proceeds thereof are Collateral, and if an Event of Default occurs and is continuing, Bank may, without notice, apply the proceeds of such Accounts to the Obligations.

(t) Notwithstanding any terms in this Agreement to the contrary, Bank shall have absolute **discretion as to the sums (if any) it permits Borrower, on a case by case basis, to withdraw from the German** Collections Account, and Bank shall have no obligation to allow Borrower to withdraw any sums in the German Collections Account. Bank may at its absolute discretion apply the proceeds of any Accounts credited to the German Collections Account to the Obligations.

2.10 Bank Expenses. Borrower shall pay all Bank Expenses (including reasonable attorneys' fees and expenses, plus expenses, for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.11 Repayment of Obligations; Adjustments

2.11.1 Repayment.

(a) Borrower will repay each Advance made based upon a specific Eligible Account on the earliest of: (i) the date on which payment is received of the Financed Receivable with respect to which the Advance was made, (ii) the date on which the Financed Receivable is no longer an Eligible Account, (iii) the date on which any Adjustment is asserted to the Financed Receivable (but only to the extent of the Adjustment if the Financed Receivable otherwise remains an Eligible Account), (iv) the date on which there is a breach of any representation or warranty in Section 5.3 of this Agreement or of any covenant in the Loan Documents, (v) as required pursuant to Section 2.1.lGJ, or (vi) the

Maturity Date (including any early termination). Each payment will also include all accrued Finance Charges and Collateral Handling Fees with respect to such Advance and all other amounts then due and payable hereunder.

(b) With respect to each Advance made based upon Aggregate Eligible Accounts:

(i) Borrower shall pay to Bank, on the first day of each Reconciliation Period, all Finance Charges accrued thereon;

(ii) Borrower will pay the principal amount of the Advances made based upon Aggregate Eligible Accounts on the earliest of: (A) the date on which the aggregate amount of outstanding Advances made based upon Aggregate Eligible Accounts exceeds the Availability Amount (but only up to the amount exceeding the Availability Amount), (B) the Maturity Date (including any early termination), or (C) as required pursuant to Section 2.1.1(i). Each payment will also include all accrued Finance Charges with respect to such Advance and all other amounts then due and payable hereunder; and

(iii) In addition to the foregoing, Borrower hereby authorizes Bank to refinance, up to one (1) time per Reconciliation Period, all outstanding Advances which are made based upon Aggregate Eligible Accounts. Each such refinancing shall consist of the creation of a new "placeholder note" on the books of Bank which evidences the Account Balance with respect to all Advances which are outstanding which are based upon Aggregate Eligible Accounts.

2.11.2 Repayment on Event of Default. When there is an Event of Default that is continuing, Borrower will, if Bank demands (or, upon the occurrence of an Event of Default under Section 8.5 of this Agreement, immediately without notice or demand from Bank) repay all of the Obligations. The demand may, at Bank's option, include any and all Credit Extensions, and all accrued Finance Charges, interest, Collateral Handling Fees, the Loan Fees, Unused Line Facility Fees, attorneys' and professional fees, court costs and expenses, Bank Expenses and any other Obligations.

2.11.3 Debit of Accounts. Bank may debit any of Borrower's deposit accounts for payments or any amounts Borrower owes Bank hereunder. These debits shall not constitute a set-off.

2.12 Unused Line Facility Fee. Borrower shall pay to Bank a fee (the "Unused Line Facility Fee"), payable quarterly, in arrears, on a calendar year basis, on the first (l") calendar day of each calendar quarter, in an amount equal to one-quarter of one percent (0.25%) per annum of the average unused portion of the Maximum Availability Amount, as determined by Bank. The unused portion of the Maximum Availability Amount, for purpose of this calculation, shall equal the difference between (a) the amount set forth in clause (a) of the definition the Maximum Availability Amount and (b) the average for the period of the daily closing balance of the Advances outstanding. Borrower shall not be entitled to any credit, rebate or repayment of any Unused Line Facility Fee

previously earned by Bank pursuant to this Section 2.12 notwithstanding any termination of this Agreement or the **suspension or termination of Bank's obligation to make Credit Extensions hereunder.**

2.13 Power of Attorney. Borrower irrevocably appoints Bank and its successors and assigns as attorney-in-fact and authorizes Bank and its successors and assigns, to: (a) following the occurrence and during the continuance of an Event of Default, (i) sell, assign, transfer, pledge, compromise, or discharge all or any part of the Financed Receivables; (ii) demand, collect, sue, and give releases to any Account Debtor for monies due and **compromise, prosecute, or defend any action, claim, case or proceeding about the Financed Receivables, including filing a claim or voting a claim in any bankruptcy case in Bank's or Borrower's name, as Bank chooses; (iii) prepare, file and sign Borrower's name on any notice, claim, assignment, demand, draft, or notice of or satisfaction** of lien or mechanics' lien or similar document; and (b) regardless of whether an Event of Default has occurred and is continuing, (i) notify all Account Debtors to pay Bank directly provided, however, Bank will notify Borrower **prior to making any direct contact with Borrower's Account Debtors, unless an Event of Default has occurred and is** continuing; (ii) receive and open mail addressed to Borrower; (iii) in the event Bank is in possession of checks or **other instruments, endorse Borrower's name on checks or other instruments (to the extent necessary to pay amounts** owed pursuant to any of the Loan Documents); and (iv) execute on Borrower's behalf any instruments, documents, financing statements to perfect Bank's interests in the Financed Receivables and Collateral and do all acts and things **necessary or prudent, as determined solely and exclusively by Bank to protect or preserve Bank's rights and remedies under the Loan Documents, as directed by Bank.**

2.14 Net Payments and Withholding.

(a) All payments by Borrower shall be made subject to applicable withholding taxes under the Israeli Income Tax Ordinance and the Convention between the Government of the State of Israel and the Government of **the United States of America with respect to taxes on income.**

(b) Borrower will furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made all such withholding tax payments, and will cooperate with Bank in connection with any information and **documentation reasonably required by Bank in connection with credits, exemptions, rebates, or other benefits to be** obtained by Bank in connection with such withholding payments made by Borrower, which credits, exemptions, rebates, or other benefits shall be property of Bank, without payment to Borrower or application to any Obligations **hereunder.**

(c) The agreements and obligations of Borrower contained in this Section 2.14 shall survive the **termination of this Agreement.**

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Credit Extension. Bank's obligation to make the initial Credit Extension on or after the Effective Date is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably **deem necessary or appropriate, including, without limitation:**

(a) the Loan Documents;

(b) amendments to the Debentures;

(c) a Third Amendment with respect to the Ltd IP Agreement, and completed exhibits thereto;

(d) any Control Agreements required by Bank;

(e) a certificate of the Secretary of Ltd with respect to articles, incumbency, specimen **signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents;**

(f) a certificate of the secretary of Inc with respect to Inc's Operating Documents, **incumbency, specimen signatures and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents;**

(g) a managing directors' certificate of GmbH with respect to GmbH's organizational documents and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents;

(h) Inc's Operating Documents and a long form good standing certificate of Inc certified by the Secretary of State of the State of Delaware as of a date no earlier than thirty (30) days prior to the Effective Date;

(i) Certificates of good standing/foreign qualification of Inc certified by the Secretary of State of the State of California as of a date no earlier than thirty (30) days prior to the Effective Date;

Gl the completed and executed Borrowing Resolutions for each Borrower;

(k) GmbH's organizational documents and resolutions, including each of (i) Excerpt of the Commercial Register, (ii) Articles of Association, (iii) List of Shareholders and (iv) Shareholder Consent;

(1) an amendment to the Security Assignment Agreement, together with the duly executed **original signatures thereto;**

(m) the Account Pledge Agreement, together with the duly executed original signatures thereto;

(n) certified copies, dated as of a recent date, of financing statement and other lien searches, as Bank shall reasonably request, accompanied by written evidence (including any UCC termination statements) that **the Liens indicated in any such financing statements or other filings either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be, terminated or released;**

(o) written approval from the Israeli Office of Chief Scientist and Investment Center with respect to the creation of the security interest by Borrower over the Collateral in favor of Bank;

(p) evidence satisfactory to Bank in Bank's sole discretion that (i) all Indebtedness of Borrower to Kreos has been repaid and satisfied in full, and all documents with respect to such Indebtedness have been duly terminated in writing, (ii) Kreos has no obligation to make any further credit extension to Borrower, (iii) Kreos has terminated and released all Liens on the assets of Borrower (including, without limitation, by filing terminations of all UCC financing statements and terminations of all filings with the United States Patent and Trademark Office and/or the United States Copyright Office), and (iv) the Kreos Intercreditor Agreement is **terminated in writing;**

(q) the Perfection Certificate of each Borrower, together with the duly executed original **signatures thereto;**

(r) a legal op1mon from Borrower's Israeli counsel with respect to Ltd dated as of the **Effective Date, together with the duly executed original signature thereto;**

(s) a legal opinion from Borrower's US counsel with respect to Inc dated as of the Effective **Date, together with the duly executed original signature thereto;**

(t) a legal opinion from Bank's German counsel with respect to GmbH dated as of the Effective Date, together with the duly executed original signature thereto;

(u) evidence satisfactory to Bank that the insurance policies required by Section 6.4 of this Agreement are in full force and effect, together with appropriate evidence showing lender loss payable and additional insured clauses and cancellation notice to Bank (including certificates on Acord 25 and Acord 28 forms and endorsements to the policies reflecting the same);

(v) evidence satisfactory to Bank that all filings required to have been made pursuant to the **Debentures and the other Loan Documents have been made to secure a first-ranking Lien in favor of the Bank on the** Charged Property, and all other actions required to have been taken by Borrower or any other party prior to the initial Credit Extension on or after the Effective Date shall have been taken and all consents and other authorizations

shall have been obtained prior to the initial Credit Extension on or after the Effective Date, all in accordance with the terms of the Debentures and the other Loan Documents;

(w) evidence that the GmbH has notified Commerzbank AG about the pledge of its German **bank account as further specified in the German Security Documents;**

(x) confirmation by Commerzbank AG that it waived or subordinated its prior pledges and all other security interests in relation to the bank accounts of GmbH held with Commerzbank AG in favour of Bank;

(y) establishment of the Lockbox;

(z) establishment of the German Collections Accounts; and

(aa) payment of the fees and Bank Expenses then due as specified in Section 2.4 and Section 2.10 of this Agreement.

3.2 Conditions Precedent to all Credit Extensions. Bank's agreement to make each Credit Extension, including the initial Credit Extension after the Effective Date, is subject to the following:

(a) receipt of the Advance Request and Invoice Transmittal and the documents required by Section 2.1.l(c) of this Agreement;

(b) Bank shall have (at its option) conducted the confirmations and verifications as described in Section 2.1.l(d) of this Agreement; and

(c) each of the representations and warranties in this Agreement, the Debentures, and the German Security Documents shall be true, accurate, and complete on the date of the Advance Request and Invoice Transmittal and on the effective date of each Credit Extension and no Event of Default shall have occurred and be **continuing, or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement, the Debentures, and the German Security Documents remain true, accurate, and complete.**

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of **Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item** shall be in Bank's sole discretion.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, **wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein, in the Deed of Charge, and in** the German Security Documents shall be and shall at all times continue to be a first priority perfected security interest in the Collateral subject only to Permitted Liens that are permitted to have priority over Bank's Liens hereunder. If Borrower shall at any time acquire a commercial tort claim, Borrower shall promptly notify Bank in a **writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein** and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to Bank.

Without limiting the foregoing, all Obligations shall be also be secured by the German Security Documents, the Deed of Charge, and any and all other security agreements, mortgages or other collateral granted to Bank by GmbH as security for the Obligations, now or in the future.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any

amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein and by the Liens granted under the Debentures (subject only to Permitted Liens that expressly have superior priority to Bank's Lien in this Agreement) and in the Deed of Charge and the German **Security Documents.**

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations and at such time as this Agreement has been terminated, Bank shall, at Borrower's sole cost and expense, promptly release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (a) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (b) this Agreement is **terminated and the German Security Documents are terminated, Bank shall terminate the security interest granted** herein and in the German Security Documents upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In addition to and without limiting the foregoing, if Borrower ceases to be Streamline Facility Eligible, Borrower shall provide cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In either case, in the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (i) one hundred five percent (105.0%) of the face amount of all such Letters of Credit denominated in Dollars, and (ii) one hundred ten percent (ll0.0%) of the Dollar Equivalent of the face amount of all such Letters of Credit denominated in a **Foreign Currency, plus all interest, fees, and costs due or to become due in connection therewith** (as **estimated by** Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Debentures. Borrower has previously created, in favor of Bank, a first ranking floating charge **over all of the present and future assets of Borrower whether now existing or hereafter created, and a first ranking** fixed charge over its registered and unissued share capital, its reputation and goodwill, intellectual property, and other fixed assets and any tax benefit it may have, in accordance with a certain Debenture of Floating Charge and a certain Debenture of Fixed Charge, each by and between Ltd and Bank and dated as of June 20, 2011 (as amended, **modified, supplemented, or restated from time to time, jointly, the "Debentures" and each, a "Debenture"). In** addition, Borrower undertakes to create, upon request by Bank, within twenty (20) days of the end of each financial quarter, a first ranking fixed charge over (a) each Account which is outstanding at such time, (b) Ltd 's rights, whether then existing or thereafter created, to receive funds from all of its customers, (c) Ltd 's Intellectual Property, and (d) Ltd's Equipment, all in accordance with a debenture of fixed charge in the form of the Debenture of Fixed **Charge referred to above (or in the form of an amendment to the existing Debenture, at the Bank's discretion; each** such new and/or amended debenture shall also be included in the definition of the term "Debenture" herein.

4.3 Security Documents. In addition to and without limiting the foregoing, all Obligations shall also **be secured by any and all properties, rights and assets of Borrower granted by Borrower to Bank now, or in the future, in which Borrower obtains an interest, or the power to transfer rights, including, without limitation, the** Charged Property as set forth in the Debentures, the German Security Documents, the Deed of Charge, and any and **all other security agreements, mortgages or other collateral granted by Borrower to Bank, now or in the future.** Borrower warrants and represents that the charges of the Debentures, upon the filing thereof, shall be first priority fixed and floating charges in the Collateral, subject only to Permitted Liens which are expressly permitted by the terms of this Agreement to have priority.

4.4 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing **statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person,** shall be deemed to violate the rights of Bank. Any such financing statements may indicate the Collateral as "all **assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in** Bank's discretion. Upon written request of Borrower, Bank shall provide Borrower with copies of all filed financing **statements.**

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization and Authorization. Borrower and each of its Subsidiaries are duly existing (and, with respect to Ltd, not in a status of a *"breaching company")* and in good standing, if applicable, as Registered Organizations in their respective jurisdictions of formation and are qualified and licensed to do business **and are in good standing in any other jurisdiction in which the conduct of their respective business or ownership of** property requires that they be qualified except where the failure to do so could not reasonably be expected to result in a Material Adverse Change. GmbH is a company, duly incorporated and validly existing under the laws of **Germany and has the power to carry on its business as it is now being conducted and to own its property and other** assets. In connection with this Agreement, each Borrower has delivered to Bank a completed certificate signed by such Borrower, entitled Perfection Certificate (collectively, the "Perfection Certificate"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the **signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different** than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, **changed its jurisdiction of formation, organizational type, or any organizational number assigned by its jurisdiction;** and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete in all material respects (it being understood and agreed that Borrower may **from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization** but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's **organizational identification number.**

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have **been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental** Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default would result in a Material Adverse Change.

5.2 Collateral. Borrower has good title to, has rights in, and the power to transfer, each item of the **Collateral upon which it purports to grant a Lien hereunder or pursuant to the Debentures, the Deed of Charge or the German Security Documents, free and clear of any and all Liens except Permitted Liens. Borrower has no deposit accounts other than the deposit accounts with Bank, the deposit accounts, if any, described in the Perfection Certificate delivered to Bank in connection herewith, or of which Borrower has given Bank notice and taken such actions as are necessary to give Bank a perfected security interest therein. The Accounts are bona fide, existing** obligations of the Account Debtors. All Inventory is in all material respects of good and marketable quality, free from material defects, ordinary wear and tear and obsolete inventory excepted.

No restriction or condition of law or any agreement exists or applies to the ability of Borrower to transfer or grant a security interest in or charge the Collateral, except for, with respect to any part of the Collateral which is deemed know-how derived from research and development that was funded through grants received by Borrower from the Israeli Office of Chief Scientist, restrictions under the Encouragement of Industrial Research and Development Law, 5744-1984 (as amended from time to time), and/or any rules and regulations and directives promulgated thereunder.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral are currently being maintained at **locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2 of this** Agreement.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-**exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is**

commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the **Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business** is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to result in a Material Adverse Change. Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Financed Receivables. Borrower represents and warrants for each Financed Receivable:

(a) Such Financed Receivable is an Eligible Account;

(b) Borrower is the owner of and has the legal right to sell, transfer, assign and encumber such Financed Receivable;

(c) The correct amount is on the Advance Request and Invoice Transmittal and is not disputed;

(d) Payment is not contingent on any obligation or contract and Borrower has fulfilled all its obligations as of the Advance Request and Invoice Transmittal date;

(e) Such Financed Receivable is based on an actual sale and delivery of goods and/or **services rendered, is due to Borrower, is not past due or in default, has not been previously sold, assigned,** transferred, or pledged and is free of any liens, security interests and encumbrances other than Permitted Liens;

(f) There are no defenses, offsets, counterclaims or agreements for which the Account Debtor may claim any deduction or discount;

(g) Borrower reasonably believes no Account Debtor is insolvent or subject to any Insolvency Proceedings;

(h) Borrower has not filed or had filed against it Insolvency Proceedings and does not anticipate any filing;

(i) Bank has the right to endorse and/ or require Borrower to endorse all payments received on Financed Receivables and all proceeds of Collateral; and

G) No representation, warranty or other statement of Borrower in any certificate or written statement given to Bank pursuant to this Agreement and the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement contained in the certificates or statement not misleading.

5.4 Litigation. There are no actions or proceedings pending or, to the knowledge of Borrower's Responsible Officers, threatened in writing by or against Borrower or any Subsidiary in which an adverse decision could reasonably be expected to cause a Material Adverse Change.

5.5 No Material Deviation in Financial Statements and Deterioration in Financial Condition. All consolidated financial statements for Borrower and any Subsidiary delivered to Bank fairly present in all **material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.**

5.6 Solvency. The fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; Borrower is not left with unreasonably small capital after the **transactions in this Agreement, in particular but without limitation the fair value of GmbH's net assets (assets minus** existing and deferred liabilities) exceeds GmbH's stated share capital *(Stammkapital);* and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Inc is not an "investment company" or a company "controlled"' by an "investment company" under the Investment Company Act of 1940, as amended. Inc is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Inc has complied in all material respects with the Federal Fair Labor **Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to cause a Material Adverse Change. None of Borrower's or any Subsidiary's properties or assets have** been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings **with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses** as currently conducted.

5.8 Subsidiaries. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower and each Subsidiary have timely filed all required tax returns and reports, and Borrower and each Subsidiary have timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each Subsidiary. Borrower may defer payment of any contested taxes, provided that Borrower (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Bank in **writing of the commencement of, and any material development in, the proceedings and (c) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a 'Permitted Lien". Borrower is unaware of any claims or adjustments** proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred **compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any** such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the **Pension Benefit Guaranty Corporation or its successors or any other governmental agency.**

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank pursuant to this Agreement and the Loan Documents, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that any projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions **are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts** may differ from the projected or forecasted results).

5.11 Office of the Chief Scientist and Investment Center. As of the Effective Date, Borrower did not receive any grants, funds or benefits (including, but not limited to, tax benefits) from the Israeli Office of Chief **Scientist or Investment Center or the Binational Industrial Research and Development Foundation, except as** provided in Schedule 5.11. Borrower is not obligated to pay any royalties or any other payments to the Israeli Office of Chief Scientist or Investment Center or the Binational Industrial Research and Development Foundation, except as provided in Schedule 5.11. The transactions contemplated under this Agreement, the Debentures and any other Loan Document (including the realization of the Charged Property) are not subject to any right and do not require the approval of the Israeli Office of Chief Scientists or Investment Center or the Binational Industrial Research and Development Foundation, except as provided in Schedule 5.11.

5.12 Repetition. The representations of Borrower in this Agreement and in any other Loan Document **are deemed to be made by Borrower by reference to the facts and circumstances then existing at all times and on** each date until all amounts owed to Bank hereunder or under any Loan Document are paid in full, subject only to such changes that are expressly permitted hereunder.

6 AFFIRMATIVE COVENANTS

Until such time as all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) are paid in full, and this is Agreement is terminated by Borrower or Bank, Borrower shall do all of the following:

6.1 Government Compliance

(a) Maintain its and all its Subsidiaries' legal existence and good standing, if applicable, in **their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so** qualify would result in a Material Adverse Change. Borrower shall comply, and have each Subsidiary comply, with **all laws, ordinances and regulations to which it is subject, noncompliance with which would result in a Material Adverse Change.**

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of **its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of** its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

(c) Deliver to Bank, within five (5) Business Days after the same are sent or received, copies **of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Re(iuirements of Law that would result in a Material Adverse Change on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its** Subsidiaries.

6.2 Financial Statements, Reports, Certificates

(a) Deliver to Bank: (i) as soon as available, but no later than thirty (30) days after the last day of each Reconciliation Period, a company prepared consolidated balance sheet and income statement (based on Borrower's shipments) covering Borrower's consolidated operations during the period certified by a Responsible Officer and in a form of presentation acceptable to Bank; (ii) as soon as available, but no later than one hundred fifty (150) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (except with respect to a going concern opinion, if applicable) on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank; (iii) in the event that Borrower becomes subject to the reporting requirements under the Exchange Act, within five (5) days of filing, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt and all reports on Form 10-K, 10-Q and 8-K filed with the SEC (or **the Israeli or German equivalent); (iv) a prompt report of any legal actions pending or threatened agai nst Borrower** or any Subsidiary that could result in damages or costs to Borrower or any Subsidiary of Five Hundred Thousand Dollars ($500,000.00) or more; (v) as soon as available, and at least annually, within ten (IO) days of approval by **Borrower's board of directors, and contemporaneously with any updates or amendments thereto, annual financial** projections for the following fiscal year approved by Borrower's board of directors and commensurate in form and **substance with those provided to Borrower's venture capital investors, together with any related business forecasts** used in the preparation of such annual financial plans and projections; and (vi) budgets, sales projections, operating plans or other financial information reasonably requested by Bank.

(b) Within thirty (30) days after the last day of each Reconciliation Period, deliver to Bank with the monthly financial statements a Compliance Certificate signed by a Responsible Officer in the form of Exhibit B.

(c) Allow Bank to inspect the Collateral and audit and copy Borrower's Books, including, **but not limited to, Borrower's Accounts, upon reasonable notice to Borrower. Such inspections or audits shall be** conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing. The foregoing inspections and audits shall be at Borrower's expense. In the event Borrower and Bank schedule an audit more than ten (I0) days in advance, and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of One Thousand Dollars ($1,000.00) plus any out-of-pocket expenses incurred by Bank to **compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling. After the occurrence**

and during the continuance of an Event of Default, Bank may audit Borrower's Collateral at Borrower's expense, **including, but not limited to, Borrower's Accounts as frequently as Bank deems necessary at Borrower's expense and at Bank's sole and exclusive discretion, without notification to and authorization from Borrower. Each such** inspection or audit shall not exceed (i) Five Thousand Dollars ($5,000.00) in the aggregate if outside the United States and/or (ii) Eight Hundred Fifty Dollars ($850.00) per day for inspections or audits within the United States, provided however, such amount shall not exceed Five Thousand Dollars ($5,000.00) in the aggregate within the United States.

(d) Upon Bank's request, provide a written report on any Financed Receivable, where payment of such Financed Receivable does not occur within five (5) days after its due date and include the reasons for the delay.

(e) Provide Bank with, as soon as available, but no later than fifteen (15) days following **each Reconciliation Period, an aged listing of accounts receivable and accounts payable by invoice date, each in** form and detail acceptable to Bank.

(!) Provide Bank with, (i) as required by Section 2.1.l(c), (ii) as required by Section 2.1.IQ), and (iii) as soon as available, but no later than fifteen (15) days following each Reconciliation Period, a duly completed Borrowing Base Certificate signed by a Responsible Officer.

(g) Immediately upon Borrower ceasing to be Streamline Facility Eligible, provide Bank **with a current aging of Accounts and, to the extent not previously delivered to Bank, a copy of the invoice for each** Eligible Account and an Advance Request and Invoice Transmittal with respect to each such Account.

(h) Provide Bank with, as soon as available, but no later than thirty (30) days following each Reconciliation Period, a Deferred Revenue report, in form and detail acceptable to Bank.

(i) Provide Bank prompt written notice on a quarterly basis of (i) any material change in the composition of the Intellectual Property, (ii) the registration of any Copyright, including any subsequent ownership right of Borrower in or to any Copyright, Patent or Trademark not shown in the IP Agreement, and (iii) Borrower's knowledge of an event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property.

Q) Deliver to Bank, as soon as available, but no later than thirty (30) days after the last day **of each calendar quarter, a company prepared consolidated balance sheet and income statement in accordance with** US GAAP covering Borrower's consolidated operations during the period certified by a Responsible Officer and in a form of presentation reasonably acceptable to Bank.

(k) Borrower shall promptly deliver to Bank a summary, in a form reasonably acceptable to Bank, of any material developments with respect to the claims of Borrower and Appletech, Ltd. and its Affiliates **against one another.**

6.3 Taxes; **Withholding:** Gross-up. Make, and cause each Subsidiary to make, timely payment of all **foreign, federal, state, and local taxes or assessments (other than taxes and assessments which Borrower is** contesting in good faith, with adequate reserves maintained in accordance with GAAP) and will deliver to Bank, on **demand, appropriate certificates attesting to such payments.**

All payments to be made by Borrower under this Agreement, whether in respect of principal, interest, fees or otherwise, shall (save insofar as required by law to the contrary) be paid in full without set off or counterclaim and free and clear of and without any deduction or withholding or payment for or on account of any Taxes that may be imposed in Germany, Israel, or any other jurisdiction from which payment may be made by Borrower under this Agreement excluding Taxes on income of Bank. If Borrower shall be required by law to effect any deduction or **withholding or payment as aforesaid from or in connection with any payment made under this Agreement for the** account of Bank then:

(a) Borrower shall promptly notify Bank upon becoming aware of the relevant requirements to deduct any such deduction or withholding or payment;

(b) Borrower shall ensure that such deduction or withholding or payment does not exceed the minimum legal liability therefor, shall remit the amount of such Tax to the appropriate Taxation authority and/or Governmental Authority and shall forthwith pay to Bank such additional amount as will result in the immediate receipt by Bank of the full amount which would otherwise have been receivable hereunder had no such deduction or withholding or payment been made or required; and

(c) Borrower shall not later than fifty (50) days after each deduction or withholding or payment of any Taxes forward to Bank documentary evidence reasonably required by Bank in respect of the payment of any such Taxes.

The agreements and obligations of Borrower contained in this provision shall survive the termination of this Agreement.

6.4 Insurance. Keep (at Borrower's cost and expense, on and after the Effective Date until termination of this Agreement) its business and the Collateral (other than Accounts) insured for risks and in amounts **standard for companies in Borrower's industry and location, and as Bank may reasonably request. Insurance** policies shall be in a form, with companies, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee and waive subrogation against Bank (provided that said waiver shall not inure to the benefit of any person who caused a malicious damage), and all commercial general liability policies shall show, or have endorsements showing, Bank as an additional insured. All policies (or the lender loss payable and additional insured endorsements) shall provide that the insurer must give Bank at least twenty (20) days notice before canceling or materially amending its policy during the term of the policy. At Bank's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Bank's option, be payable to Bank on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Two Hundred Fifty Thousand Dollars ($250,000) with respect to any loss, but not exceeding Four Hundred Thousand Dollars ($400,000) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations. **If Borrower fails to obtain insurance as required under this Section 6.4 or to pay any amount or furnish any required** proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.4, and take any action under the policies Bank deems prudent. Bank acknowledges that the evidence of Ltd's insurance policies delivered by Ltd to Bank on or prior to the Effective Date is satisfactory to Bank as of the Effective Date.

6.5 **Accounts**

(a) To permit Bank to monitor Borrower's financial performance and condition, maintain all of Borrower's and all of its Subsidiaries' (other than GmbH and SolarEdge China) non-Shekel depository, operating **and securities/investment accounts with Bank and Bank's Affiliates (provided, however, that Ltd may maintain one** (I) account with PayPal or another payment processor), which accounts shall contain at least seventy-five percent (75.0%) of the aggregate value of all of Borrower's and all of its Subsidiaries' accounts at all financial institutions (excluding accounts held by SolarEdge China).

(b) Without limiting the foregoing, Borrower shall obtain Bank's prior written consent to open any deposit or securities account at or with any bank or financial institution other than Bank or Bank's Affiliates (other than Shekel accounts). Borrower shall indicate in the Compliance Certificate provided to Bank in accordance with Section 6.2(b) above any deposit or securities account it holds at or with any bank or financial institution other than Bank or Bank's Affiliates and the aggregate value of deposits and/or securities in any such account. In addition, (i) for each account that Borrower at any time maintains in the United States (other than accounts at Bank), Borrower shall cause the applicable bank or financial institution at or with which any Collateral **Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to** such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder, which Control Agreement may not be terminated without the prior written consent of Bank and (ii) for each account

that Borrower at any time opens or maintains outside of the United States (including, without limitation, accounts opened or maintained in the State of Israel) with any institution other than Bank (excluding Shekel accounts), **Borrower shall, at Bank's request and option, pursuant to an agreement in form and substance acceptable to Bank,** cause the depository bank or securities intermediary to (A) agree that such account is the collateral of Bank pursuant **to the terms hereunder and/or the terms in the Debentures, and (B) sign an agreement, in a form and substance** satisfactory to Bank, in which the depository bank or securities intermediary undertakes that upon notice from Bank that an Event of Default has occurred, Bank shall have alongside Borrower, signatory rights in all such accounts, such that no activities on behalf of Borrower shall occur without Bank's signature and Bank shall have the right, without derogating from any other right of Bank, to inform the depository bank or securities intermediary of the **cancellation of Borrower's signature rights in such a manner that Bank shall have sole signatory rights in such** accounts or take such other action(s) pursuant to applicable law as Bank reasonably determines is necessary in order **to provide Bank with a first priority perfected security interest in and to such account and all monies or securities on deposit therein.**

(c) In addition to and without limiting the foregoing, GmbH undertakes not to open any new **bank accounts that are not covered under the German Security Documents neither in Germany nor elsewhere unless** (i) with the prior written consent of Bank and (ii) under the proviso that Bank will obtain, contemporaneously with **the opening of any such account, a first priority security interest over such account in accordance with the** requirements of the applicable local laws (in particular Germany) and in each case under terms and conditions acceptable to Bank.

6.6 Inventory; Returns; Notices of Adjustments. Keep all Inventory in good and marketable condition, free from material defects (ordinary wear and tear and obsolete inventory excepted). Returns and **allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at** the Effective Date. If, at any time during the term of this Agreement, any Account Debtor asserts an Adjustment in excess of One Hundred Thousand Dollars ($100,000.00), Borrower issues a credit memorandum, or any **representation, warranty or covenant set forth in this Agreement or the other Loan Documents is no longer true in all** material respects, Borrower will promptly advise Bank.

6.7 Financial Covenants. Maintain at all times, on a consolidated basis with respect to Borrower and its Subsidiaries:

(a) Liquidity. To be tested at any time, Liquidity of greater than or equal to Six Million Seven Hundred Fifty Thousand Dollars ($6,750,000.00).

(b) Ad justed EBITDA. To be tested as of the last day of each calendar quarter, (i) negative Adjusted EBITDA of no greater than ($1,500,000.00) for the calendar quarter ending March 31, 2015, and (ii) positive Adjusted EBITDA of at least: (A) $1,500,000.00 for the calendar quarter ending June 30, 2015, (B) $3,500,000.00 for each of the calendar quarters ending September 30, 2015 and December 31, 2015, (C) $1,500,000.00 for the calendar quarter ending March 31, 2016, and (D) $3,500,000.00 for the calendar quarter ending June 30, 2016 and for each calendar quarter thereafter.

6.8 Protection and Registration of Intellectual Property Rights

(a) (i) Use its commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements of its Intellectual Property to which it becomes aware; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) If Borrower (i) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise, or (ii) applies for any Patent or the registration of any Trademark, then Borrower shall provide written notice thereof to Bank on a quarterly basis and shall execute such intellectual property security agreements and other documents and **take such other actions as Bank shall request in its good faith business judgment to perfect and maintain a first** priority perfected security interest in favor of Bank in such property. If Borrower decides to register any Copyrights or mask works in the United States Copyright Office or with another competent authority in any other jurisdiction,

Borrower shall on a quarterly basis: (x) provide Bank with written notice of Borrower's intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto) or with another competent authority in any other jurisdiction; (y) execute an intellectual property security agreement and such other documents and take such other actions as Bank may request **in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Bank** in the Copyrights or mask works intended to be registered with the United States Copyright Office or with another competent authority in any other jurisdiction; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. Borrower shall promptly provide to Bank copies of all applications that it files for Patents or for the registration of Trademarks, Copyrights or mask works, together with evidence of the recording of the intellectual property security agreement necessary for Bank to perfect and maintain a first priority perfected **security interest in such property.**

(c) Provide written notice to Bank within ten (10) Business Days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank reasonably requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this **Agreement and the other Loan Documents.**

6.9 Litigation Cooperation. From the Effective Date and continuing through the termination of this **Agreement, make available to Bank, without expense to Bank, upon reasonable notice and at reasonable times provided no Event of Default exists, Borrower and its officers, employees and agents and Borrower's Books, to the** extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding **instituted by or against Bank with respect to any Collateral or relating to Borrower.**

6.10 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement.

6.11 Grants. After the occurrence and continuance of an Event of Default, Borrower shall obtain the **prior written consent of Bank before receiving any grants, funds or benefits, or filing for an application to receive** funding from the Office of Chief Scientist or the Binational Industrial Research and Development Foundation.

6.12 Warranty Claim. Borrower must promptly notify Bank of any warranty claims (whether or not such claims have any merit) in excess of Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate.

6.13 Process agent in England. Borrower shall deliver (or procure delivery) to Bank, in form and substance satisfactory to Bank, when so requested by Bank and within IO days of Bank's request, a confirmation of acceptance of appointment from an agent for service of process in England acceptable to Bank addressed to Bank. The failure of Borrower to comply with this Section 6.13 shall constitute an immediate Event of Default to which no cure or grace period shall apply.

7 NEGATIVE COVENANTS

Until such time as all Obligations (other than inchoate indemnity obligations and any other obligations **which, by their terms, are to survive the termination of this Agreement) are paid in full, and this is Agreement is** terminated by Borrower or Bank, Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively a "Transfer"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment; (c) in **connection with Permitted Liens and Permitted Investments; and (d) non-exclusive licenses and similar arrangements for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.**

7.2 Changes **in** Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) any Key Person **ceases to hold such office with Borrower and a replacement satisfactory to Borrower's board of directors is not** made within 90 days after his/her departure from Borrower; or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than forty-nine percent (49.0%) of the voting stock of Borrower immediately after giving **effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities** in a public offering or to venture capital investors so long as Borrower identifies to Bank the venture capital **investors prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction).**

Borrower shall not, without at least thirty (30) days prior written notice to Bank: (I) add any new offices or **business locations, including warehouses (unless such new offices or business locations contain less than One** Hundred Thousand Dollars ($100,000.00) in Borrower's assets or property), (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, (5) change any organizational number (if any) assigned by its jurisdiction of organization, or (6) deliver any portion of the Collateral to a bailee, unless (i) such bailee location contains less than Fifty Thousand Dollars ($50,000.00) in Borrower's assets or property and (ii) Bank and such bailee are parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person, unless all Obligations have been paid in full and this Agreement has **been terminated in connection with such merger or acquisition. A Subsidiary may merge or consolidate into another** Subsidiary or into Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from **assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any** Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 of this Agreement and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.5 of this Agreement.

7.7 Distributions; Investments. (a) Directly or indirectly acquire or own any Person, or make any Investment in any Person, other than Permitted Investments, or permit any of its Subsidiaries to do so; or (b) pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that (i) **Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible** securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) **Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to** such repurchase, provided such repurchases do not exceed in the aggregate of Two Hundred Thousand Dollars ($200,000).

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that (a) (i) are in the ordinary course of Borrower's business, or (ii) that are permitted under Section 7.2, 7.3, 7.4. 7.7, or 7.9, and (b) are upon fair and **reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a** non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt. except under the terms of the subordination. intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount owed by Borrower thereof, shorten the maturity thereof, increase the rate of interest applicable thereto or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. With respect to Inc, become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, each as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation would result in a Material Adverse Change, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the **occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan** which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension **Benefit Guaranty Corporation or its successors or any other governmental agency.**

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "Event of Default") under this Agreement:

8.1 Payment Default. Borrower fails to pay any of the Obligations when due;

8.2 Covenant Default. Borrower fails or neglects to perform any obligation in Section 2.9 or Section 6 of this Agreement or violates any covenant in Section 7 of this Agreement or fails or neglects to perform, keep, or **observe any other term, provision, condition, covenant or agreement contained in this Agreement, any Loan Documents and as to any default under such other term, provision, condition, covenant or agreement that can be** cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, grace and cure periods provided under this Section 8.2 shall not apply to financial covenants or any other covenants that are required to be satisfied, completed or tested by a date certain;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary) on deposit or otherwise maintained with Bank or any Bank Affiliate, or (ii) a notice of lien or levy is filed against any of Borrower's assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); *provided, however,* no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into **possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting any material part of its business;**

8.5 Insolvency. (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) with respect to GmbH, GmbH is illiquid, over-indebted or otherwise deemed insolvent pursuant to the terms of the German Insolvency Act *(Insolvenzardnung);* (c) Borrower begins an **Insolvency Proceeding; or (d) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed** within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower or any Guarantor is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not

exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000.00); or (b) any default by Borrower or Guarantor, the result of which could result in a Material Adverse Change to Borrower's or any Guarantor's business;

8.7 Judgments. One or more final judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars ($100,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower and the same are not, within thirty (30) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the discharge, stay, or bonding of such judgment, order, or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or the applicable subordination agreement;

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner and the same are not, within thirty (30) days after the decision thereof, reinstated or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal has, or could reasonably be expected to have, a Material Adverse Change; or

8.11 Subsidiaries.

(a) SolarEdge China at any time maintains assets with an aggregate gross value of greater than or equal to Four Hundred Thousand Dollars ($400,000.00);

(b) SolarEdge Australia at any time maintains assets with an aggregate gross value of greater than or equal to Two Hundred Thousand Dollars ($200,000.00);

(c) SolarEdge Netherlands at any time maintains assets with an aggregate gross value of greater than or equal to One Hundred Thousand Dollars ($100,000.00); or

(d) SolarEdge Canada at any time maintains assets with an aggregate gross value of greater than or equal to One Hundred Thousand Dollars ($100,000.00).

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. When an Event of Default occurs and continues beyond any applicable grace period Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 of this Agreement occurs, all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to (i) one hundred five percent (105.0%) of the aggregate face amount of all such Letters of Credit denominated in Dollars, and (ii) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all such Letters of Credit **denominated in a Foreign Currency, remaining undrawn (plus all interest, fees, and costs due or to become due in** connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) settle or adjust disputes and claims directly with Account Debtors for amounts, on terms and in any order that Bank considers advisable and notify any Person owing Borrower money of Bank's security interest in such funds and verify the amount of such account. Borrower shall collect all payments in trust for Bank and, ifrequested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, **with proper endorsements for deposit;**

(f) make any payments and do any acts it considers necessary or reasonable to protect its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part **of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;**

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, **Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section 9.1, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;**

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive **control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;**

GJ demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code or any other applicable law (including disposal of the Collateral pursuant to the terms thereat).

9.2 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.4 of this **Agreement or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document, Bank may obtain such insurance or make such payment, and all** amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide **Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver** of any Event of Default.

9.3 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in

the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.4 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the **specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other** Loan Documents are cumulative. Bank has all rights and remedies provided under the Code and any other applicable law, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude **Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.**

9.5 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

9.6 Borrower Liability. Inc. and/or Ltd may, acting singly, request Credit Extensions hereunder. Each Borrower hereby appoints the other as agent for itself for all purposes hereunder, including with respect to requesting Credit Extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all Credit Extensions made hereunder, regardless of which Borrower actually receives said Credit Extensions, as if each Borrower hereunder directly received all Credit Extensions. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, and (b) any

right to require Bank to: (i) proceed against **any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Bank may exercise or not exercise any right or remedy it has against any Borrower or any security it holds** (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability.

Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Bank under this Agreement) to seek contribution, indemnification or any other form of **reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for** any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this **Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement** prohibited under this Section 9.6 shall be null and void. If any payment is made to a Borrower in contravention of this Section 9.6, such Borrower shall hold such payment in trust for Bank and such payment shall be promptly delivered to Bank for application to the Obligations, whether matured or unmatured.

9.7 Illegality. If it shall become unlawful for Bank to continue to fund or maintain any Credit Extensions, or to perform its obligations hereunder, upon demand by Bank, Borrower shall prepay the Credit Extensions in full with all accrued interest thereon and all other amounts payable by Borrower hereunder.

10 NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first **class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when** sent by electronic mail or facsimile transmission; (c) one (I) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. **Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.**

If to Borrower: SolarEdge Technologies, Inc.

SolarEdge Technologies, Ltd.
SolarEdge Technologies GmbH
6 HeHarash Street
P.O. Box 7349
Neve Neeman, Hod Hasharon 45240, Israel
Attn: CFO, Ronen FaierNP General Counsel
Fax: 972-9 957-6591
Email: ronen.faier@solaredge.com

If to Bank: Silicon Valley Bank
275 Grove Street, Suite 2-200
Newton, Massachusetts 02466
Attn: Ms. Laura Scott
Fax: (617) 969-4395
Email: LScott@svb.com

with a copy to: Riemer & Braunstein LLP
Three Center Plaza
Boston, Massachusetts 02108
Attn: David A. Ephraim, Esquire
Fax: (617) 692-3455
Email: DEphraim@riemerlaw.com

11 CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

Except as otherwise expressly provided in any of the Loan Documents, California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of **Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in** any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, **improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be** made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided to Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, **the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time** shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding

Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private **judge shall have the power, among others, to grant provisional relief, including without limitation, entering**

temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self- **help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all** issues relating to the applicability, interpretation, and enforceability of this paragraph.

12 GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and **permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it** without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, **without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, Bank shall not assign any interest in the Loan Documents to an operating company which is a direct competitor of Borrower.**

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, **employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "Indemnified** Person") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "Claims") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as **a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including** reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Right of Set-Off. Borrower hereby grants to Bank, a lien, security interest and right of setoff as **security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity** under the control of Bank (including a Bank subsidiary) or in transit to any of them. At any time after the **occurrence and during the continuance of an Event of Default, without demand or notice, Bank may set off the same** or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

Bank may set off any matured obligation due from GmbH under the Loan Documents against any matured obligation owed by Bank to GmbH, regardless of the place of payment, banking branch or currency of either obligation. Further, GmbH authorizes Bank to apply (without prior notice) any credit balance (whether or not then due) to which GmbH is at any time beneficially entitled on any account at, any sum held to its order by and/or any liability or obligation (whether or not matured) of, any office of Bank in or towards satisfaction of any sum then due and payable by it to Bank under the Loan Documents and unpaid. For these purposes, Bank may convert one currency into another, provided that nothing in this Section 12.3 shall be effective to create a charge. Bank shall not be obliged to exercise any of its rights under this Section 12.3, which shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right (including the benefit of the Loan Documents) to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise).

12.4 Time of Essence. Time is of the essence for the performance of all Obligations m this Agreement.

12.5 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the **Loan Documents consistent with the agreement of the parties.**

12.6 Severability of Provisions. Each provision of this Agreement is severable from every other **provision in determining the enforceability of any provision.**

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of **any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be** enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against **which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver** granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent **or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements, including, without limitation the Prior Agreement. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.**

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different **parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.**

12.9 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and satisfied. The obligation of Borrower in Section 12.2 of this Agreement to indemnify Bank **shall survive until the statute of limitations with respect to such claim or cause of action shall have run. Without limiting the foregoing, except as otherwise provided in Section 4.1, the grant of security interest by Borrower in** Section 4.1 and the Liens granted under the Debentures, the Deed of Charge and the German Security Documents **shall survive until the termination of this Agreement and all Bank Services Agreements.**

12.10 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of **care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's** Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, each a "Bank Entity" and collectively, the "Bank Entities"); (b) to prospective transferees or purchasers of any interest in the Credit **Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's** agreement to the terms of this Section 12.10); (c) as required by law, regulation, subpoena, or other order; (d) to **Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers** appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so **long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive** than those contained herein. Confidential information does not include information that is: (i) either in the public domain other than as a result of Bank's breach of this Section 12.10 or is in Bank's possession when disclosed to Bank; or (ii) disclosed to Bank by a third party on a nonconfidential basis if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use the confidential information for reporting purposes and the development and distribution of databases and market analyses so long as such confidential information is aggregated and anonymized prior to **distribution unless otherwise expressly prohibited by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.**

12.11 Electronic Execution of Documents. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed

signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.16 IP Agreement. Borrower hereby ratifies, confirms and reaffirms, all and singular, the terms and conditions of the IP Agreement and acknowledges, confirms and agrees that (a) the IP Agreement shall remain in full force and effect and shall in no way be limited by the execution of this Agreement, or any other documents, instruments and/or agreements executed and/or delivered in connection herewith, and (b) the IP Agreement contains an accurate and complete listing of all Intellectual Property Collateral as defined in the IP Agreement. In addition, Borrower and Bank hereby agree that the Inc IP Agreement shall be amended by deleting "that certain Loan and Security Agreement by and between Bank, Grantor, and Solaredge Technologies, Ltd. dated June 23, 2011 (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement)" where it appears in the recitals thereto and inserting in lieu thereof "that certain Second Amended and Restated Loan and Security Agreement by and among (i) Bank, (ii) Grantor, (iii) SOLAREDGE TECHNOLOGIES, LTD. and (iv) SOLAREDGE TECHNOLOGIES GMBH, dated as of February 17, 2015 (as the same may be amended, restated, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement)".

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"Account" is any "account" as defined in the Code or any other applicable law with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"Account Balance" is, on any date, the aggregate outstanding principal amount of all Advances made based upon Aggregate Eligible Accounts.

"Account Debtor" is as defined in the Code or any other applicable law and shall include, without limitation, any person liable on any Account or Financed Receivable, such as, a guarantor of the Account or Financed Receivable and any issuer of a letter of credit or banker's acceptance.

"Account Pledge Agreement" is defined in the definition of German Security Documents.

"Adjusted EBITDA" means, as determined in accordance with US GAAP, (a) net income, plus (b) to the extent deducted in the calculation of net income, interest, taxes, depreciation and amortization, and plus (c) to the extent deducted in the calculation of net income, non-cash stock-based compensation, as set forth on Borrower's

most recent company prepared consolidated balance sheet and income statement delivered to Bank pursuant to Section 6.2(j).

"Adjustments" are all discounts allowances, returns, recoveries, disputes, claims of any kind (including, without limitation, counterclaims or warranty claims), offsets, defenses, rights of recoupment, rights of return, or short payments, asserted by or on behalf of any Account Debtor for any Financed Receivable.

"Advance" is defined in Section 2.1.1 of this Agreement.

"Advance Rate" is eighty percent (80.0%), net of any offsets related to each specific Account Debtor, including, without limitation, Deferred Revenue (unless otherwise approved by Bank in writing on a case by case basis in its sole discretion), or such other percentage as Bank establishes under Section 2.1.1 of this Agreement.

"Advance Request and Invoice Transmittal" shows Eligible Accounts and/or Aggregate Eligible Accounts, which Bank may finance, and (a) with respect to requests for Advances based upon Eligible Accounts, **includes the Account Debtor's name, address, invoice amount, invoice date and invoice number, and (b) with** respect to requests for Advances based upon Aggregate Eligible Accounts, includes (i) the Account Debtor's name, **address, invoice amount, invoice date and invoice number, (ii) the current outstanding amount of Advances made** based upon Aggregate Eligible Accounts and (iii) the Availability Amount.

"Affiliate" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that **controls or is controlled by or is under common control with the Person, and each of that Person's senior executive** officers, directors, partners, and, for any Person that is a limited liability company, that Person's managers and members; provided that any Person constituting a portfolio investment of any of the stockholders of the Borrower that are venture capital investors shall not be considered an Affiliate of the Borrower solely as a result of such relationship.

"Aggregate Eligible Accounts" is defined in Section 2.1.1.

"Agreement" is defined in the preamble of this Agreement.

"Anniversary Fee" is defined in Section 2.4.

"Applicable Rate" is (a) with respect to Financed Receivables based upon Eligible Accounts, a floating per annum rate equal to the Prime Rate plus two percent (2.0%), and (b) with respect to Financed Receivables based upon Aggregate Eligible Accounts, a floating per annum rate equal to the Prime Rate plus one-half of one percent (0.50%).

"Availability Amonnt" is the lesser of (a) the Maximum Availability Amount and (b) the Borrowing **Base.**

"Bank" is defined in the preamble of this Agreement.

"Bank Entities" is defined in Section 12.10.

"Bank Expenses" are all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents **(including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower or any Guarantor.**

"Bank Services" are any products and/or credit services and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without **limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto** (each, a "Bank Services Agreement").

"Bank Services Agreement" is defined in the definition entitled "Bank Services" appearing alphabetically in this Section 13.1.

"Bank Services Line Reduction Amount" is an amount equal to (a) the aggregate Dollar Equivalent of the face amount of outstanding Letters of Credit entered into pursuant to Section 2.1.2 (including drawn but unreimbursed Letters of Credit and any Letter of Credit Reserve with respect thereto), plus (b) the sum of all amounts used for Cash Management Services entered into pursuant to Section 2.1.4, and plus (c) the FX Reduction Amount with respect to FX Contracts entered into pursuant to Section 2.1.3.

"Borrower" is defined in the preamble of this Agreement.

"Borrower's Books" are all Borrower's books and records including ledgers, federal and state tax returns, **records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.**

"Borrowing Base" is eighty percent (80.0%) (or such other percentage as Bank establishes under Section 2.1.1) multiplied by Borrower's Aggregate Eligible Accounts (net of any offsets related to each specific Account Debtor, including, without limitation, Deferred Revenue (unless otherwise approved by Bank in writing on a case by case basis in its sole discretion)).

"Borrowing Base Certificate" is that certain certificate in the form attached hereto as Exhibit D.

"Borrowing Resolutions" are, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, stockholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the **transactions contemplated thereby, together with a certificate executed by its secretary on behalf of such Person** certifying that (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that attached as Exhibit A to such certificate

is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall **have delivered to Bank a further certificate cancel ing or amending such prior certificate.**

"Business Day" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"Cash Equivalents" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of **acquisition; (b) commercial paper maturing no more than one (1) year after its creation and havi ng the highest rating** from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (I) year after issue; and (d) money market funds at least ninety five percent (95.0%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this **definition.**

"Cash Management Services" is defined in Section 2.1.4 of this Agreement.

"Charged Property" is defined in the Debentures.

"Claims" is defined in Section 12.2 of this Agreement.

"Code" is (a) with respect to Inc or any assets located in the United States, the Uniform Commercial Code, **as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, that,** to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term

"Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions, and (b) with respect to Ltd, GmbH, or any assets located outside of the United States, any applicable law.

"Collateral" is (a) any and all properties, rights and assets of Inc described on Exhibit A, (b) any and all properties, rights and assets granted by Ltd to Bank or arising under Israeli law or other applicable law, now, or in the future, including, without limitation, the Charged Property, and (c) with respect to GmbH, any and all properties, rights and assets of Borrower granted by GmbH to Bank or arising under German law or other applicable law, now, **or in the future, including, without limitation, all collateral and security described in the German Security** Documents and the Deed of Charge.

'Collateral Account" is any Deposit Account, Securities Account, or Commodity Account.

"Collateral Handling Fee" is defined in Section 2.6 of this Agreement.

"Collections" are (a) all funds received by Bank from or on behalf of an Account Debtor for Financed Receivables and (b) the monthly refinancing by Bank, to be completed at Bank's discretion pursuant to Section 2.11.1 (b)(iii) of this Agreement, of all outstanding Advances which are based upon Aggregate Eligible Accounts.

"Commodity Account" is any "commodity account" as defined in the Code or any other applicable law **with such additions to such term as may hereafter be made.**

"Compliance Certificate" is attached as Exhibit B.

"Contingent Obligation" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that **Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably** anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of **the obligations under any guarantee or other support arrangement.**

"Control Agreement" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code or any other applicable law) over such Collateral Account.

"Copyrights" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether **or not the same also constitutes a trade secret.**

"Credit Extension" is any Advance, Letter of Credit, FX Contract, amount utilized for Cash Management **Services, or any other extension of credit by Bank for Borrower's benefit.**

"Debenture" and "Debentures" are defined in Section 4.2.

"Deed of Charge" is the deed of charge dated as of January 8, 2013 granted by GmbH in favor of Bank and governed by English law, as amended, modified or restated from time to time.

"Deferred Revenue" is all amounts received or invoiced, as appropriate, in advance of performance under contracts and not yet recognized as revenue.

"Deposit Account" is any "deposit account" as defined in the Code or any other applicable law with such additions to such term as may hereafter be made.

"Dollar Equivalent" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"Dollars," "dollars" or use of the sign "$" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"Effective Date" is defined in the preamble hereof.

"Eligible Accounts" are billed Accounts in the ordinary course of Borrower's business that meet all Borrower's representations and warranties in Section 5.3 of this Agreement, have been, at the option of Bank, confirmed in accordance with Section 2.1.l(d) of this Agreement, and are due and owing from Account Debtors deemed creditworthy by Bank in its sole discretion. Without limiting the fact that the determination of which **Accounts are eligible hereunder is a matter of Bank discretion in each instance, Eligible Accounts shall not include** the following Accounts (which listing may be amended or changed in Bank's discretion with notice to Borrower):

(a) Accounts for which the Account Debtor is Borrower's Affiliate, officer, employee, or agent;

(b) Accounts that the Account Debtor has not paid within ninety (90) days of invoice date regardless **of invoice payment period terms;**

(c) Accounts owing from an Account Debtor which does not have its principal place of business in the United States, State of Israel, Canada or Western Europe, unless such Accounts are otherwise Eligible Accounts and covered in full by credit insurance through the Israeli Credit Insurance Company, and otherwise satisfactory to Bank, less any deductible;

(d) Accounts billed and/or payable outside of the United States, Germany, or the State of Israel;

(e) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in **any manner to the Account Debtor (as creditor, lessor, supplier or otherwise - sometimes called "contra" accounts, accounts payable, customer deposits or credit accounts), with the exception of customary credits, adjustments and/or discounts given to an Account Debtor by Borrower in the ordinary course of its business;**

(!) Accounts owing from an Account Debtor which is a United States government entity or any **department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the** assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;

(g) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a "sale guaranteed", "sale or return", "sale on approval", or other terms if Account Debtor's payment may be conditional;

(h) Accounts owing from an Account Debtor where goods or services have not yet been rendered or delivered to the Account Debtor (sometimes called memo billings or pre-billings);

(i) **Accounts subject to contractual arrangements between Borrower and an Account Debtor where** payments shall be scheduled or due according to completion or fulfillment requirements where the Account Debtor has a right of offset for damages suffered as a result of Borrower's failure to perform in accordance with the contract (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);

(j) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor's satisfaction of Borrower's complete performance (but only to the extent of the **amount withheld; sometimes called retainage billings);**

(k) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;

(I) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank in its sole discretion wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment **for such goods in accordance with invoices from Borrower (sometimes called "bill and hold" accounts);**

(m) Accounts for which the Account Debtor has not been invoiced;

(n) Accounts that represent non-trade receivables or that are derived by means other than in the **ordinary course of Borrower's business;**

(o) Accounts subject to chargebacks or other payment deductions taken by an Account Debtor;

(p) Accounts arising from product returns and/or exchanges (sometimes called "warranty" or "RMA" **accounts);**

(q) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business unless such accounts are insured by the!CIC or otherwise approved by Bank in writing;

(r) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue), unless otherwise approved by Bank in writing on a case- **by-case basis in its sole discretion;**

(s) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, **including, without limitation, accounts represented by "refreshed" or "recycled" invoices;**

(t) Accounts in which Bank does not have a first priority, perfected security interest or a fixed charge, as applicable, under all applicable laws, including foreign laws;

(u) Accounts owing from an Account Debtor, fifty percent (50%) or more of whose Accounts have not been paid within ninety (90) days of invoice date;

(v) Accounts owing from an Account Debtor, including Affiliates, whose total obligations to Borrower exceed twenty-five percent (25%) of all Eligible Accounts (except for Accounts with respect to which the Account Debtor is Solar City, Samsung, Sanyo or BP Solar, for which such percentage is fifty percent (50%)), for **the amounts that exceed such percentage, unless Bank otherwise approves in writing;**

(w) Accounts billed or invoiced from or by a Person other than Borrower;

(x) Accounts owing from an Account Debtor which is a distributor or is subject to sell-through, unless

(i) such distributor is pre-approved by Bank in writing in its sole and absolute discretion on a case-by-case basis and such Account is backed by a contract and letter of credit acceptable to Bank in its sole and absolute discretion, and (ii) such distributor has no rights of return, as determined by Bank in writing;

(y) Accounts with credit balances over ninety (90) days from invoice date; and

(z) Accounts with a due date that is more than ninety (90) days from invoice date.

"Equipment" is all "equipment" as defined in the Code or any other applicable law with such additions to **such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.**

"ERISA" is the Employee Retirement Income Security Act of 1974, and its regulations.

"Euro" and "€" each mean the official currency of the European Union, as adopted by the European Council at its meeting in Madrid, Spain on December 15 and 16, 1995.

"Events of Default" are set forth in Section 8 of this Agreement.

"Exchange Act" is the Securities Exchange Act of 1934, as amended.

"Facility Amount" is Fifty Million Dollars ($50,000,000.00).

"Facility Fee" is defined in Section 2.4 of this Agreement.

"Finance Charges" is defined in Section 2.5 of this Agreement.

"Financed Receivables" are all those Eligible Accounts and Aggregate Eligible Accounts, including their proceeds which Bank finances and makes an Advance, as set forth in Section 2.1.1 of this Agreement. A Financed Receivable stops being a Financed Receivable (but remains Collateral) when the Advance made for the Financed Receivable has been fully paid.

"Financed Receivable Balance" is the total outstanding gross face amount, at any time, of any Financed Receivable.

"Foreign Currency" means lawful money of a country other than the United States.

"FX Business Day" is any day when (a) Bank's Foreign Exchange Department is conducting its normal business and (b) the Foreign Currency being purchased or sold by Borrower is available to Bank from the entity from which Bank shall buy or sell such Foreign Currency.

"FX Contract" is defined in Section 2.1.3.

"FX Reduction Amount" is defined in Section 2.1.3.

"GAAP" is (a) in respect of Inc, generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and **statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such** other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination ("US GAAP"), (b) in respect of Ltd, generally accepted accounting principles in Israel, and (c) in respect of GmbH, generally accepted accounting principles in Germany.

"German Collections Account" is defined in Section 2.9(a).

"German Security Documents" means, collectively, (a) a certain Security Assignment Agreement (accounts receivable) dated as of January 8, 2013, between GmbH and Bank, as amended by a certain Amendment Agreement dated as of the Effective Date, as further amended, modified, supplemented, or restated from time to time (the "Security Assignment Agreement"), (b) a certain Restated Account Pledge Agreement dated as of the Effective Date, between GmbH and Bank, as amended, modified, supplemented, or restated from time to time (the **"Account Pledge Agreement"), and (c) any and all other security agreements, mortgages or other collateral granted** to Bank by GmbH as security for the Obligations, now or in the future, as amended, modified, supplemented, or **restated from time to time.**

"GmbH" is defined in the preamble hereof.

"Governmental Approval" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"Governmental Authority" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive,

legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"Guarantor" is any present or future guarantor of the Obligations. "Inc" is defined in the preamble hereof.

"Inc **IP** Agreement" is defined in the definition of "IP Agreement" in this Agreement.

"Indebtedness" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations and (d) Contingent Obligations.

"Indemnified Person" is defined in Section 12.2 of this Agreement.

"Insolvency Proceeding" is any proceeding by or against any Person under the United States Bankruptcy Code, the Israeli Companies Ordinance 5743-1983, the Israeli Companies Law 5759-1999, the German Insolvency Act *(Insolvenzardnung)*, or any other bankruptcy or insolvency law, including assignments for the benefit of **creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.**

"Intellectual Property" means all of Borrower's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to **unpatented inventions, know-how, operating manuals;**

(c) any and all source code;

(d) any and all design rights which may be available to Borrower;

(e) any and all claims for damages by way of past, present and future infringement of any of the **foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of** the Intellectual Property rights identified above; and

(!) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"Inventory" is all "inventory" as defined in the Code in effect on the Effective Date or any other applicable law with such additions to such term as may hereafter be made, and includes without limitation all **merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit** and including any returned goods and any documents of title representing any of the above.

"Investment" is any beneficial ownership of (including stock, partnership interest or other securities) any **Person, or any loan, advance or capital contribution to any Person.**

"IP Agreement" is collectively, (a) that certain Intellectual Property Security Agreement dated as of June 23, 2011, by and between Inc and Bank, as amended, modified or restated from time to time (the "Inc IP Agreement"), and (b) that certain Intellectual Property Security Agreement dated as of June 23, 2011, by and between Ltd and Bank, as amended by that certain First Amendment to Intellectual Property Security Agreement dated as of June 4, 2012, as further amended by that certain Second Amendment to Intellectual Property Security Agreement dated as of February 27, 2014, and as further amended by that certain Third Amendment to Intellectual Property Security Agreement dated as of the Effective Date, as further amended, modified or restated from time to time (the "Ltd IP Agreement").

"Kreos" is Kreos Capital IV (Expert Fund) Limited, a company incorporated in Jersey whose registered office is at 47 Esplanade, St. Helier, Jersey.

"Kreos Intercreditor Agreement" is that certain Intercreditor Agreement dated as of December 28, 2012, by and between Bank and Kreos, as amended by that certain Amendment to Intercreditor Agreement dated as of February 27, 2014, as further amended, modified, or restated from time to time.

"Letter of Credit" means a standby letter of credit issued by Bank or another institution based upon an application, guarantee, indemnity or similar agreement on the part of Bank.

"Letter of Credit Application" is defined in Section 2.1.2.

"Letter of Credit Reserve" has the meaning set forth in Section 2.1.2.

"Lien" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"Liquidity" is the sum of (a) Borrower's unrestricted and unencumbered cash, plus (b) the remaining **amount Borrower has available to borrow under Section 2. 1.1 of this Agreement at any given time (taking into** account the terms and conditions of this Agreement, all applicable borrowing formulas and the then-outstanding balance).

"Loan Documents" are, collectively, this Agreement, the IP Agreement, the Debentures, the Deed of Charge, the Perfection Certificate, any control agreement, the Borrowing Resolutions, the German Security **Documents, any Bank Services Agreement, any subordination agreements, any note, or notes or guaranties executed by Borrower and/or any Guarantor, and any other present or future agreement between Borrower and/or any** Guarantor and/or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, **restated, or otherwise modified.**

"Loan Fees" is defined in Section 2.4

"Lockbox" is defined in Section 2.9 of this Agreement.

"Ltd" is defined in the preamble hereof.

"Ltd IP Agreement" is defined in the definition of "IP Agreement" in this Agreement.

"Material Adverse Change" is: (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations. In determining whether a "Material Adverse Change" has occurred under clause (b) or (c) above, Bank's primary, though not sole, consideration will be whether Borrower has or will have sufficient cash **resources to repay the Obligations as and when due. Bank recognizes that, as a pre-profit company, Borrower's cash** resources will decline over time, and Borrower will periodically require additional infusions of equity capital. The **clear intention of Borrower's investors to continue to fund Borrower in the amounts and timeframe necessary, in** Bank's good faith judgment, to enable Borrower to satisfy the Obligations as they become due and payable is the **most significant criterion Bank shall consider in making any such determination.**

"Maturity Date" is December 31, 2016.

"Maximum Availability Amount" is (a) Forty Million Dollars ($40,000,000.00), minus (b) the Bank **Services Line Reduction Amount.**

"Obligations" are Borrower's obligations to pay when due any debts, principal, interest, Bank Expenses, Unused Line Facility Fees and other amounts Borrower owes Bank now or later, whether under this Agreement, the Loan Documents, or otherwise, including, without limitation, interest accruing after Insolvency Proceedings begin

and debts, liabilities, or obligations of Borrower assigned to Bank, and the performance of Borrower's duties under the Loan Documents.

"Operating Documents" are, for any Person, such Person's formation documents, as certified with the Secretary of State of such Person's state of formation on a date that is no earlier than 30 days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"Patents" means all patents, patent applications and like protections including without limitation **improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.**

"Perfection Certificate" is defined in Section 5.1 of this Agreement.

"Permitted Indebtedness" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date which is shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted **Liens" hereunder;**

(f) extensions, re-financings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (e) above, provided that the principal amount thereof is not increased or the terms thereof **are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be; and**

(g) Indebtedness of any Subsidiary to Borrower or any other Subsidiary and Contingent Obligations of any Subsidiary with respect to obligations of any other Subsidiary (provided that the primary obligations are not prohibited hereby).

"Permitted Investments" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date which are shown on the Perfection Certificate (but specifically excluding any future Investments in any Subsidiaries unless otherwise permitted hereunder);

(b) Investments consisting of Cash Equivalents;

(c) Investments by Borrower in Subsidiaries not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate in any calendar quarter;

(d) Investments consisting of deposit accounts permitted in accordance with Section 6.5 hereof;

(e) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash investments by Borrower do not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate in any fiscal year;

(f) Investments consisting of (i) travel advances and employee relocation loans and other employee **loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to**

the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors; and

(g) Investments required in connection with the lease of real property in an amount not to exceed One Hundred Thousand Dollars ($100,000.00) in the aggregate.

"Permitted Liens" are:

(a) Liens existing on the Effective Date which are shown on the Perfection Certificate (excluding the Liens described in subsections (m), (n) and (o) below) or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on Borrower's Books, provided such Liens have no priority over any Liens in favor of Bank;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than One Hundred Thousand Dollars ($100,000.00) in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(e) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed One Hundred Thousand Dollars ($100,000) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(f) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Bank has a first perfected security interest in the amounts held in such deposit and/or securities accounts and such accounts are permitted to be maintained under Section 6.5 of this Agreement;

(g) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(h) deposits to secure the performance of bids, trade contracts (other than for borrowed money), contracts for the purchase of property, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case, incurred in the ordinary course of business and not representing an obligations for borrowed money;

(i) easements, rights-of-way, restr1ct1ons and other similar encumbrances affecting real property which do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

U) Liens in favor of customs or revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(k) Liens on insurance proceeds in favor of insurance companies granted solely to secure financed insurance premiums;

(I) **Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens** described in (a) through (k), but any extension, renewal or replacement Lien must be limited to the property **encumbered by the existing Lien and the principal amount of the indebtedness may not increase;**

(m) Liens in favor of Bank Leumi on cash collateral in that certain account no. 025500/95 - 744 of Ltd maintained with Bank Leumi containing not more than Five Hundred Sixty-Five Thousand One Hundred Ninety- Two Shekels (NIS 565,192.00) at any time;

(n) Liens of Bank Leumi on up to Eight Hundred Thirty Thousand Dollars ($830,000.00) of cash collateral in accounts of Ltd at Bank Leumi, securing a letter of credit issued by, and credit card services provided by, Bank Leumi, with reimbursement and other obligations not to exceed Eight Hundred Thirty Thousand Dollars ($830,000.00) in the aggregate; and

(o) Liens of Bank Leumi on up to Three Hundred Thirty Thousand Dollars ($330,000.00) of cash collateral in accounts of Ltd at Bank Leumi, securing foreign exchange services provided by Bank Leumi, with obligations not to exceed Three Hundred Thirty Thousand Dollars ($330,000.00) in the aggregate.

"Person" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"Prime Rate" is, with respect to any day, the "Prime Rate" as quoted in the Wall Street Journal print edition on such day (or, if such day is not a day on which the Wall Street Journal is published, the immediately preceding day on which the Wall Street Journal was published).

"Prior Agreement" is defined in the preamble hereof.

"Reconciliation Period" is each calendar month.

"Registered Organization" is any "registered organization" as defined in the Code or any other applicable law with such additions to such term as may hereafter be made.

"Requirement of Law" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower, or, in respect of GmbH, its managing director *(Geschiiftsfahrer),* or the German equivalent **of any of the aforementioned terms.**

"Restricted License" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with Bank's right to sell any Collateral.

"SEC" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"Securities Account" is any "securities account" as defined in the Code or any other applicable law with **such additions to such term as may hereafter be made.**

"Security Assignment Agreement" is defined in the definition of German Security Documents.

"Settlement Date" is defined in Section 2.1.3.

"Shekel" means only lawful money of the State of Israel.

"SolarEdge Australia" is SolarEdge Technologies (Australia) PTY Ltd.

"SolarEdge Canada" is SolarEdge Technologies (Canada) Ltd.

"SolarEdge China" is SolarEdge Technologies (China) Co., Ltd.

"SolarEdge Netherlands" is SolarEdge Technologies (Holland) B.V.

"Sterling" or "£" means the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

"Streamline Facility Eligible" means, as of any day during any Subject Month, (a) Borrower has provided evidence to Bank that Borrower (i) had Liquidity greater than or equal to Eight Million Seven Hundred Fifty Thousand Dollars ($8,750,000.00) at all times during the applicable Testing Month, and (ii) has Liquidity greater than or equal to Eight Million Seven Hundred Fifty Thousand Dollars ($8,750,000.00) on such day, and (b) on such **day, no Event of Default exists and is continuing or an event that with notice or lapse of time will be an Event of** Default exists.

"Subject Month" is the month which is two (2) calendar months after any Testing Month.

"Subordinated Debf ' is indebtedness incurred by Borrower subordinated to all of Borrower's now or **hereafter indebtedness to Bank (pursuant to a subordination agreement entered into between Bank and the other** creditor), on terms reasonably acceptable to Bank.

"Subsidiary'' is, as to any Person, a corporation, partnership, limited liability company or other entity of **which shares of stock or other ownership interests having ordinary voting power (other than stock or such other** ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the **board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the** management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by **such Person. Unless the context otherwise requires, ·each reference to a Subsidiary herein shall be a reference to a** Subsidiary of Borrower.

"Taxes" means any present or future taxes, levies, fees, deductions, duties, imposts or other charges or withholdings of a similar nature (including any penalty or interest payable in connection with any failure to pay or **any delay in paying any of the same), and "Tax" and "Taxation" have a corresponding meaning.**

"Testing Month" is any month with respect to which Bank has tested Borrower's Liquidity to determine whether Borrower is Streamline Facility Eligible.

"Trademarks" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"Transfer" is defined in Section 7.1 of this Agreement.

"Unused Line Facility Fee" is defined in Section 2.12 of this Agreement.

"US GAAP" is defined in the definition of GAAP in this Agreement.

"Western Europe" means the United Kingdom, Ireland, Spain, Italy, Portugal, France, Germany, Switzerland, Belgium, The Netherlands, Norway, Sweden, Finland, Poland, Greece and Denmark.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER

SOLAREDGE TECHNOLOGIES, LTD.

By: /s/ Guy Sella
Name: Guy Sella
Title: CEO

SOLAREDGE TECHNOLOGIES, INC.

By: /s/ ILLEGIBLE
Name: ILLEGIBLE
Title: ILLEGIBLE

SOLAREDGE TECHNOLOGIES GMBH

By: /s/ Guy Sella
Name: Guy Sella
Title: Managing Director

BANK

SILICON VALLEY BANK

By: /s/ ILLEGIBLE
Name: ILLEGIBLE
Title: ILLEGIBLE

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following:

All goods, equipment, inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, general intangibles (including payment intangibles), accounts (including health-care receivables), documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the **letter of credit is evidenced by a writing), commercial tort claims, securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and any** copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, now owned or later acquired; any patents, trademarks, service marks and applications therefor; trade styles, trade names, any trade secret rights, including any rights to unpatented **inventions, know-how, operating manuals, license rights and agreements and confidential information, now owned or hereafter acquired; or any claims for damages by way of any past, present and future infringement of any of the foregoing; and**

All Borrower's books relating to the foregoing and any and all claims, rights and interests in any of the **above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.**

EXHIBIT B

SVB>Silicon Valley Bank
A :Member of SVB Financial Group

SPECIALTY FINANCE DIVISION
Compliance Certificate

I, an authorized officer of SOLAREDGE TECHNOLOGIES, LTD., SOLAREDGE TECHNOLOGIES, INC., and SOLAREDGE TECHNOLOGIES GMBH (jointly and severally, individually and collectively, "Borrower") certify under the Second Amended and Restated Loan and Security Agreement (as amended, the "Agreement") between Borrower and Silicon Valley Bank ("Bank") as follows for the period ending (all capitalized terms used herein shall have the meaning set forth in the Agreement):

Borrower represents and warrants for each Financed Receivable:

Each Financed Receivable is an Eligible Account;

Borrower is the owner with legal right to sell, transfer, assign and encumber such Financed Receivable; The correct amount is on the Advance Request and Invoice Transmittal and is not disputed;

Payment is not contingent on any obligation or contract and Borrower has fulfilled all its obligations as of the Advance Request and Invoice Transmittal date;

Each Financed Receivable is based on an actual sale and delivery of goods and/or services rendered, is due to Borrower, is not past due or in default, has not been previously sold, assigned, transferred, or pledged and is free of any liens, security interests and encumbrances other than Permitted Liens;

There are no defenses, offsets, counterclaims or agreements for which the Account Debtor may c]aim any deduction or discount;

Borrower reasonably believes no Account Debtor is insolvent or subject to any Insolvency Proceedings; Borrower has not filed or had filed against it Insolvency Proceedings and does not anticipate any filing;

Bank has the right to endorse and/or require Borrower to endorse all payments received on Financed Receivables and all proceeds of Collateral; and

No representation, warranty or other statement of Borrower in any certificate or written statement given to Bank pursuant to this Agreement and the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement contained in the certificates or statement not misleading.

Additionally, Borrower represents and warrants as follows:

Borrower and each Subsidiary is duly existing (and, with respect to Ltd, not in a status of a *"breaching company")* and in good standing in its state of formation and qualified and licensed to do business in, and in good standing in, any state in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to cause a Material Adverse Change. The execution, delivery and performance of the Loan Documents have been duly authorized, and do not conflict with Borrower's organizationa] documents, nor constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which or by which it is bound in which the default could reasonably be expected to cause a Material Adverse Change.

Borrower has good title to the Collateral, free of Liens except Permitted Liens. All inventory is in all material respects of good and marketable quality, free from material defects.

Inc is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Inc is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to cause a Material Adverse Change. None of Borrower's or any Subsidiary's properties or assets have been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each Subsidiary has timely filed all required tax returns and paid, or made adequate provision to pay, all material taxes, except those being contested in good faith with adequate reserves under GAAP. Borrower and each Subsidiary has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all government authorities that are necessary to continue its business as currently conducted except where the failure to obtain or make such consents, declarations, notices or filings would not reasonably be expected to cause a Material Adverse Change.

Borrower is in compliance with the financial covenants set forth in Section 6.7 of the Agreement. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes.

The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered

Financial Covenants

	Required	Actual	Compliance
Liquidity	;:>: $6,750,000	$	Yes No
Adjusted EBITDA (quarterly)	$ *	$	Yes No

**Assetforth in Section 6.7(b)of the Agreement*

Streamline Facility Eligibility

	Required	Actual	Eligible
Liquidity	;:>: $8,750,000	$	Yes No

"Liquidity" is the sum of (a) Borrower's unrestricted and unencumbered cash, plus (b) the remaining amount Borrower has available to borrow under Section 2.1.1 of this Agreement at any given time (taking into account the terms and conditions of this Agreement, all applicable borrowing formulas and the then-outstanding balance).

"Adjusted EBITDA" is, as determined in accordance with US GAAP, (a) net income, plus (b) to the extent deducted in the calculation of net income, interest, taxes, depreciation and amortization, and plus (c) to the extent deducted in the calculation of net income, non-cash stock-based compensation.

All other representations and warranties in the Agreement are true and correct in all material respects on this date, and Borrower represents that there is no existing Event of Default.

Sincerely,

SOLAREDGE TECHNOLOGIES, INC.

_____

Signature

_____

Title

_____

Date

SOLAREDGE TECHNOLOGIES, LTD.

_____

Signature

_____

Title

_____

Date

SOLAREDGE TECHNOLOGIES GMBH

_____

Signature

_____

Title

_____

Date

EXHIBIT C

Invoice Transmittal

Client Name:

Date

Transmittal #:

Submitted:

Invoice #	Customer Name	Customer Address	Invoice Date	Invoice Amount
			Gross Total	$ 0.00
			Advance Rate	__%
			Net Cash Advance	$ 0.00

Comments:

The Borrower ("Borrower") named on this Invoice Transmittal ("Transmittal"), hereby delivers this Transmittal to Silicon Valley Bank ("Bank") pursuant to a Second Amended and Restated Loan and Security Agreement between Borrower and Bank (as amended, "Agreement"). By forwarding this Transmittal along with copies of the invoices listed herein, Borrower is requesting Bank to make advances ("Advances") based on such receivables in accordance with the tenns of the Agreement and hereby represents and warrants that the request has been made by an authorized representative of Borrower with full right, power and authority to deliver this Transmittal to BanJc Borrower acknowledges that such Advances (together with all fees, interest and other charges associated with such Advances)

shall be repaid in accordance with the tenns of the Agreement. Borrower hereby ratifies and reaffirms all of its representations and warranties in the Agreement, including, without limitation, Borrower's representations set forth in Section 5.3 thereof.

For SVB Use Only

Date
AM Approval
PM/TL Approval
SCO Approval

Disbursement Instructions

SVB DDA #
Wire To
ABA #
Account #

EXHIBIT D

BORROWING BASE CERTIFICATE

Borrower: SOLAREDGE TECHNOLOGIES, LTD., SOLAREDGE TECHNOLOGIES, INC. AND SOLAREDGE TECHNOLOGIES GMBH
Lender: SILICON VALLEY BANK
Commitment Amount: $40,000,000.00

ACCOUNTS RECEIVABLE		
I.	Accounts Receivable (invoiced) Book Value as of	$
2.	Additions (please explain on next page)	$
3.	Less: Intercompany *I* Employee *I* Non-Trade Accounts	$
4.	NET TRADE ACCOUNTS RECEIVABLE	$
ACCOUNTS RECEIVABLE DEDUCTIONS (without duplication)		
5.	Affiliate/Intercompany/Employee Accounts	$
6.	90 Days Past Invoice Date	$
7.	Foreign Account Debtors (non-U.S./Israel/Canada/Western Europe) without credit **insurance**	$
8.	Accounts billed and/or payable outside the United States (non-U.S./Israeli)	$
9.	Contra/Customer Deposit Accounts	$
IO.	U.S. Government Accounts w/o assignment of claims	$
11.	Promotion or Demo Accounts; Guaranteed Sale or Consignment Sale Accounts	$
12.	Accounts with Memo or Pre-Billings	$
13.	Contract Accounts; Accounts with Progress/Milestone Billings	$
14.	Accounts for Retainage Billings	$
15.	Trust *I* Bonded Accounts	$
16.	Bill and Hold Accounts	$
17.	Unbilled Accounts	$
18.	Non-Trade Accounts (if not already deducted above)	$
19.	Chargebacks Accounts *I* Debit Memos	$
20.	Product Returns/Exchanges	$
21.	Disputed Accounts; Insolvent Account Debtor Accounts	$
22.	Deferred Revenue	
23.	Doubtful *I* Refreshed *I* Recycled	$
24.	Balance of 50% over 90 Day Accounts (cross-age or current affected)	$
25.	Concentration Limits	$
26.	Accounts in which Bank doesn't have perfected first security interest/fixed charge	$
27.	Accounts with Distributor/Sell-Through	$
28.	Accounts not billed by/from Borrower	$
29.	Credit Balances over 90 Days	$
30.	Accounts with Extended Term Invoices (Net 90+)	$
31.	Other (please explain on next page)	$
32.	TOTAL ACCOUNTS RECEIVABLE DEDUCTIONS	$
33.	Eligible Accounts (#4 minus #32)	$
34.	ELIGIBLE AMOUNT OF ACCOUNTS (80.0% of #33)	$
BALANCES		
35.	Availability Amount ((a) $40,000,000.00, minus (b) the Bank Services Line Reduction Amount)	$
36.	Total Funds Available (Lesser of #34 or #35)	$
37.	Present balance owing on Advances based on Aggregate Eligible Accounts	$
38.	RESERVE POSITION (#36 minus #37)	$

Explanatory comments from previous page:

The undersigned represents and warrants that this is true, complete and correct, and that the information in this Borrowing Base Certificate complies with the representations and warranties in the Second Amended and Restated *Loan and Security Agreement between the undersigned and Silicon Valley Bank.*

BANK USE ONLY

COMMENTS:

Received by: _____
AUTHORIZED SIGNER

SOLAREDGE TECHNOLOGIES, LTD.

Date: _____

By: _____
Authorized Signer

Verified: _____
AUTHORIZED SIGNER

Date: _____

Date: _____

Compliance Status: Yes No

SOLAREDGE TECHNOLOGIES, INC.

By: _____
Authorized Signer

Date: _____

SOLAREDGE TECHNOLOGIES GMBH

By: _____
Authorized Signer

Date: _____

SCHEDULE 5.11

NONE

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of March 10, 2015 by and between **SolarEdge Technologies Ltd.** (the "**Company**") having an address at 6 Haharash Street, Neve Ne'eman, Hod Hasharon, Israel and Guy Sella, Israeli ID No. 058474701 of Bat Chen 13, Bitan Aharon (the "**Employee**").

WHEREAS: The Company desires to continue to employ the Employee in the position of Chairman and Chief Executive Officer (the "**Position**") and the Employee desires to continue to provide such employment, on the terms and conditions hereinafter set forth, which amends and restates that certain employment agreement entered into between the parties effective as of September 1, 2007 (the "**Original Commencement Date**").

For the avoidance of any doubt, the seniority of the Employee, and all entitlement to benefits to the extent based on his seniority, shall be calculated on the basis of the Employee having been employed by the Company since the Original Commencement Date.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

1. Employment

(a) This Agreement shall commence on the date set forth above (the "**Commencement Date**"). The Employee shall perform the duties, undertake the responsibilities and exercise the authority as determined from time to time by the Company and as customarily performed, undertaken and exercised by persons situated in a similar position. The Employee's duties and responsibilities hereunder may also include other services performed for subsidiaries and affiliates of the Company. Specifically, the Employee will serve as the Chief Executive Officer and Chairman of the Board of Directors of SolarEdge Technologies, Inc., a Delaware corporation and parent corporation of the Company ("**SolarEdge**"), and in such capacity he shall report to the Board of Directors of SolarEdge. The Employee will be nominated to serve as a member of the Boards of Directors of the Company and SolarEdge while he is serving as the Chief Executive Officer of SolarEdge and the Company. The Employee will also be appointed to serve as the Chairman of the Board of Directors of both SolarEdge and the Company while he is serving as the Chief Executive Officer of SolarEdge and the Company. Upon notice of termination of his position as the Chief Executive Officer of SolarEdge and the Company, the Employee shall immediately sign a resignation letter with respect to his role as a member of the Board of Directors of each of SolarEdge and the Company.

(b) During the course of his employment with SolarEdge and the Company, the Employee shall honestly, diligently, skillfully and faithfully serve both SolarEdge and the Company. The Employee undertakes to devote all his efforts and the best of his qualifications and skills to promoting the business and affairs of SolarEdge and the Company, and further undertakes to loyally and fully comply with the decisions of the Board of Directors of SolarEdge

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and the Company. The Employee shall at all times act in a manner suitable of his position and status in SolarEdge and the Company.

(c) The Employee undertakes to promptly notify SolarEdge and the Company regarding any matter or subject in respect of which he has a personal interest and/or which might create a conflict of interest with his position in SolarEdge and the Company.

(d) The Employee agrees to devote total attention and full time to the business and affairs of SolarEdge and the Company as required to fulfill and discharge the responsibilities assigned to the Employee hereunder. During the term of this Agreement the Employee shall not be engaged in any other employment nor directly or indirectly engage in any other business activities in any capacity for any other person, firm or company whether or not for consideration, without the express prior written consent of SolarEdge and the Company. The Company acknowledges that the Employee may become a member of the board of directors or otherwise be involved with companies in a variety of roles other than the Company and SolarEdge, and shall continue to do so as long as it does not interfere with the Employee's Position. The Employee shall notify the Chairman of the Compensation Committee promptly upon taking on any such positions.

(e) The Employee shall be employed on a full-time basis, and the Employee's duties shall require the Employee, when requested, to work during nights, days of rest and holidays and to travel abroad from time to time, as necessary, as part of his Position and without entitlement to additional compensation. The Employee acknowledges that Employee's Position is the most senior position in SolarEdge and the Company and involves duties which require of him special personal trust and loyalty. Further, the nature, the conditions and circumstances of his Position render it impossible for SolarEdge and the Company to supervise and/or control the Employee's hours of work and rest, and accordingly the Employee shall not be entitled to and hereby irrevocably waives any claim for any overtime payment under the Law of Work Hours and Rest - 1951 (or any successor law), which shall not apply to this Agreement.

The Employee hereby represents and undertakes to SolarEdge and the Company all of the following:

(i) There are no other undertakings or agreements preventing the Employee from making the commitments described herein and performing his obligations under this Agreement, and the Employee confirms that he is qualified and able to perform these obligations.

(ii) To the best of the Employee's knowledge, the Employee is not currently, nor will by entering into this Agreement be deemed to be, in breach of any of the Employee's obligations towards any former employer, including without limitation, any non-competition or confidentiality undertakings.

(iii) The Employee acknowledges and agrees that SolarEdge and the Company are entitled to conduct inspections within SolarEdge's and the Company's offices, as applicable, and on SolarEdge's and the Company's computers, including inspections of electronic mail transmissions, Internet usage and inspections of their content. For the avoidance of any doubt, it is hereby clarified that any such examination's findings shall be SolarEdge's and the Company's

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sole property. The Employee acknowledges and agrees that any messages and data sent from, received by, or stored in or upon SolarEdge's and/or the Company's computers and communications systems are the sole property of SolarEdge and the Company, regardless of the form and/or content of these messages and data. The Employee should not consider messages and data sent from, received by, or stored in or upon SolarEdge's and/or the Company's computer and communications systems to be private and should not send, receive, or store sensitive personal or private information using these systems. The Employee is deemed to have consented to any reasonable use, transfer and disclosure of all messages and data contained or sent via SolarEdge's and/or the Company's

computer and communications systems, including electronic mail. The Employee shall fully comply with SolarEdge's and the Company's policies regarding computer and network, as may be in effect from time to time, as set forth on SolarEdge's and/or the Company's intranet.

(iv) The Employee grants consent to SolarEdge, the Company and its affiliates, and its/their employees, wherever they may be located, to utilize and process the Employee's personal information, including data collected by SolarEdge and/or the Company for purposes related to the Employee's employment. This may include transfer of the Employee's personnel records outside of Israel and further transfers thereafter. All personnel records are considered confidential and access will be limited and restricted to individuals with need to know or process that information for purposes relating to your employment only, such as management teams and human resource personnel. SolarEdge and the Company may share personnel records as needed solely for such purposes with third parties assisting human resources administration.

2. Salary

(a) The Company agrees to pay or cause to be paid to the Employee during the term of this Agreement a gross salary of One Hundred and Five Thousand New Israeli Shekels (105,000 NIS) per month (the "Salary"). The Salary shall be payable monthly in arrears.

(b) The Salary will be paid no later than the 9th day of each month, one month in arrears, after deduction of any and all taxes and charges applicable to Employee as may be in effect or which may hereafter be enacted or required by law. Employee shall notify the Company of any change which may affect Employee's tax liability.

(c) The Salary shall be reviewed by the Board of Directors of the Company or its parent corporation no less frequently than annually.

(d) Employee shall be entitled to participate in any annual cash incentive bonus plan maintained by SolarEdge or the Company from time to time for the benefit of its senior executives, subject to the terms established by SolarEdge, the Company and/or their Board of Directors.

3. Employee Benefits

(a) The Employee shall be entitled to the following benefits:

(i) Pension Plan. The Company will pay to (unless agreed otherwise by the parties) an insurance company or a pension fund as may be elected by the Employee, for the

Employee, an amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay, and an additional 5% of the Salary in case of an insurance policy, or an additional 6% of the Salary in case of a pension fund, which shall be allocated to a provident fund or pension plan. In addition, the Company will deduct from the Salary an amount equal to 5% of the Salary in case of an insurance policy, or 5.5% in case of a pension plan, which shall constitute the Employee's contribution to the manager's insurance premium for the provident fund or pension plan.

(ii) In case the Employee chooses to allocate his pension payments to an insurance policy (and not a pension fund), the Company will also contribute an amount equal to up to 2.5% of the Salary for disability insurance, provided that such insurance is available for the Employee.

(iii) The Employee hereby agrees and acknowledges that all of the payments that the Company shall make to the abovementioned manager's insurance policy and/or pension fund shall be instead of any severance pay to which the Employee or Employee's successors shall be entitled to receive from the Company with respect to the salary from which these payments were made and the period during which they were made (the "**Termination Salary**"), in accordance with Section 14 of the Severance Pay Law 5723-1963 (the "**Law**"). The parties hereby adopt the General Approval of the Minister of Labor and Welfare, published in the Official Publications Gazette No. 4659 on June 30, 1998, attached hereto as Exhibit B. The Company hereby waives in advance any claim it has or may have to be refunded any of the payments made to the manager's insurance policy and/or pension fund, unless (1) the Employee's right to severance pay is invalidated by a court ruling on the basis of Sections 16 or 17 of the Law (and in such case only to the extent it is invalidated), or (2) the Employee withdrew funds from the manager's insurance policy for reasons other than an "Entitling Event". An "**Entitling Event**" means death, disability or retirement at the age of 60 or more

(iv) The Employee also confirms that the above payments to the Pension Insurance are made instead of any payment required by law, as they are higher than required according to the general expansion order for base pension.

(v) Sick Leave. The Employee will be entitled to sick leave as provided by law. Any payment from the disability insurance will be on account of sick leave payment.

(vi) Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance, according to the applicable directive.

(vii) Vacation. The Employee shall be entitled to an annual vacation of 25 working days at full pay (based upon a full time position). A "working day" shall mean Sunday to Thursday inclusive, and Saturday shall be the weekly day of rest of the Employee. The dates of vacation will be coordinated between the Employee and the Company. Subject to the provision of due and reasonable prior notice, the Company may require the Employee to take vacation leave in accordance with applicable law. Subject to applicable law, the Employee may accrue up 60 days of vacation entitlement, all according to the Company's policy as may be amended from time to time.

(viii) Educational Fund (Keren Hishtalmut). The Company will contribute to a recognized educational fund an amount equal to 7.5% of each monthly payment of the Salary up to the limit recognized for tax purposes and will deduct from each monthly payment and contribute to such education fund an additional amount equal to 2.5% of each such month's payment of the Salary up to the limit recognized for tax purposes.

(ix) For avoidance of doubt, no disbursements shall be made to manager's insurance or educational fund with respect to any incentive bonus payments, and any such payments shall not be deemed a portion of the Salary for any purpose, including without limitation, when calculating the Employee's

entitlement to severance pay or other amounts payable upon termination of the Employee's employment.

(x) Motor Vehicle. The Employee shall be entitled to participate in the Company's motor vehicle program and receive a motor vehicle from the Company's vehicle pool, which shall be leased or rented by the Company for use by the Employee in accordance with Company policy, as established from time to time during the period of his employ with the Company. The employee shall execute the Company's "Employee Car Agreement" prior to receiving the motor vehicle. Furthermore, the Employee shall execute a new "Employee Car Agreement" upon the lease of each new or replacement motor vehicle for the Employee, as requested by the Company.

(b) Unless specified to the contrary herein, all payments and contributions of the Company under this Agreement shall be limited to the highest deductible amount recognized by the tax authorities.

(c) During any period of the Employee's military reserve service, the Company shall pay the Salary and all other social benefits due to the Employee hereunder. National Insurance Institute payments in connection with such military reserve duty shall be retained by the Company.

4. Expenses

(a) The Employee shall be entitled to receive prompt reimbursement of all direct expenses reasonably incurred by him in connection with the performance of his duties hereunder provided that written receipts are produced for the same, in accordance with the Company's expense policy and approved by the Company.

(b) The Company shall furnish the Employee with a mobile phone and reimburse the Employee for expenses in connection therewith. The Company shall deduct from the Salary any taxes required in connection with the provision of the mobile phone.

5. Term and Termination

(a) The term of employment under this Agreement will begin as of the Original Commencement Date and will continue, subject to the remaining provisions of this Section 5, unless either party gives the other prior written notice of termination of this Agreement, in which case this Agreement shall terminate effective as of the later of (a) 90 days after the day of notice or (b) the date as the effective date of termination of employment specified in such notice after

the giving of such notice, provided that the Employee will be entitled to all payments and benefits (including social contribution, car, vacation, etc.) for the full notice period.

(b) In addition, the Board of Directors of SolarEdge or the Company shall have the right to terminate this Agreement at any time without a notice period as described in Section 5(a) above and without paying any amounts in lieu of such advanced notice in the event of Cause (as defined below). The Employee shall be notified in writing of his termination for Cause, and if he has an opportunity to cure the act or omission that the Company has determined provides the basis for a termination for Cause, the Company shall include in the written notice a description of such act or omission.

The term "Cause" shall mean (a) Employee's conviction of a crime of moral turpitude, (b) a material breach of the Employee's fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing (c) engagement in competing activities, or a material breach of the Employee's confidentiality and non-disclosure obligations towards the Company or its parent company; (d) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (e) any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

(c) In the event that the Company terminates the Employee's employment at its discretion after providing advance written notice to the Employee under sub-section (a) above, then during such period, the Employee shall be entitled to compensation pursuant to Sections 2 and 3 hereof (or their cash equivalent).

(d) In any event of the termination of this Agreement, the Employee shall immediately return all property, equipment, materials and documents of SolarEdge and/or the Company and the Employee shall cooperate with SolarEdge and the Company and use the Employee's best efforts to assist with the integration into the organizations of SolarEdge and the Company of the person or persons who will assume the Employee's responsibilities. At the option of SolarEdge and the Company, the Employee shall during such period either continue with his duties or remain absent from the premises of the Company. Under no circumstances will the Employee have a lien over any property provided by or belonging to the Company.

(e) Notwithstanding anything contained herein to the contrary notwithstanding, the Board of Directors of SolarEdge or the Company at its sole discretion shall have the right to terminate the employment relationship with immediate effect or prior to the end of the notice period set forth in subsection (a) above and pay the Employee in lieu of advance notice or the remainder thereof in accordance with applicable law.

(f) In the event that any termination of employment pursuant to this Section 5 occurs within twelve months following a Change of Control (as defined below) and is either: (i) by SolarEdge or the Company without Cause or (ii) by Employee for Justifiable Reason (as defined below), Employee will be entitled to receive full acceleration of any unvested equity awards (including shares, restricted stock, restricted stock units and/or stock options, as applicable), held at the time of such termination. For purposes of this Section 5(f), "**Change of Control**" shall mean the occurrence of any of the following: (i) a merger or consolidation of SolarEdge or the

Company, in which the stockholders of SolarEdge or the Company (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a mere reincoproation merger); or (ii) the sale, transfer or other disposition of all or substantially all of SolarEdge's or the Company's assets in liquidation or dissolution of SolarEdge or the Company or otherwise; or (iii) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of SolarEdge or the Company (excluding a transaction effected primarily for capital raising purposes). Also for purposes of this Section 5(f), "**Justifiable Reason**" shall mean any of the following: (a) any material change in any of the Salary and/or benefits set forth in this Agreement which was not approved by the Employee other than a decrease in Salary to all of the Company's and/or SolarEdge's management; (b) demand that the Employee will relocate; or (c) any material demotion in title, position, management duties, or responsibilities.

6. Confidentiality; Proprietary Rights

The Employee has executed and agrees to be bound by the provisions governing confidentiality, proprietary rights and non-competition contained in Exhibit A to this Agreement, which provisions will survive termination of this Agreement for any reason.

7. Successors and Assigns

(a) This Agreement shall be binding upon and shall inure to the benefit of SolarEdge and the Company, and each of their respective successors and assigns.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

8. Notice

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other. All notices and communications shall be deemed to have been received on the date of delivery thereof, except that notice of change of address shall be effective only upon receipt. Notices to the Company shall be sent to the attention of the Company's General Counsel and shall be deemed to constitute notice to SolarEdge.

The initial addresses of the parties for purposes of this Agreement shall be as set forth in the preamble to this Agreement.

9. Prevention of Sexual Harassment

The Company sees violations of the Law for Prevention of Sexual Harassment (the "**Law**") in a severe light. The Employee acknowledges being informed of the Company's policy regarding sexual harassment, including the existence of Company guidelines for the prevention of sexual harassment that may be received at any time from the employee in charge of enforcing the Law in the Company.

10. Miscellaneous

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made either party which are not expressly set forth in this Agreement. This Agreement shall not be modified or otherwise affected by unwritten "customs" under Israeli employment law, or other terms effective for other employees of the Company.

11. Governing Law

This Agreement, which shall include any and all schedules, exhibits and other attachments hereto, shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

12. Severability

In the event that any provision of this Agreement is held invalid or unenforceable in any circumstances by a court of competent jurisdiction, the remainder of this Agreement, and the application of such provision in any other circumstances, shall not be affected thereby, and the unenforceable provision enforced to the maximum extent permissible under law, or otherwise shall be replaced by an enforceable provision that most nearly approximates the intent of the unenforceable provision.

13. Entire Agreement

(a) This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

(b) This Agreement and its annexes and exhibits constitute notice to the Employee pursuant to the Notice to Employee (Employment Terms) Law — 2002. Nothing contained in this Agreement is meant to derogate from Employee's right according to any applicable law or agreement.

IN WITNESS WHEREOF:

SolarEdge Technologies Ltd.		**Employee**
By:	**/s/ Doron Inbar**	**/s/ Guy Sella**
Name:	**Doron Inbar**	***GUY SELLA***
Title:	**Chairman, Compensation Committee**	

EXHIBIT A

SOLAREDGE TECHNOLOGIES LTD.
EMPLOYEE PROPRIETARY
INFORMATION AND NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment, by **SolarEdge Technologies Ltd.** and/or by companies which it owns, controls, or by which it is owned or controlled, or with which it is affiliated (including SolarEdge Technologies, Inc., a Delaware corporation), or their successors in business (the "**Company**"), and the compensation paid therefor:

1. Confidentiality.

Except as the Company may otherwise consent in writing, I agree to keep confidential and not disclose or make any use of, except for the benefit of the Company, at any time either during or subsequent to my employment by the Company, any trade secrets or confidential or proprietary information of the Company, including without limitation knowledge, data, or other information relating to products, processes, know-how, techniques, designs, formulae, test data, costs, customer lists, employees, business plans, marketing plans and strategies, pricing, or other subject matter pertaining to any past, existing or contemplated business of the Company or any of its employees, clients, customers, consultants, agents, licensees, or affiliates, which I may produce, obtain or otherwise acquire during the course of or in connection with my employment ("**Company Confidential Information**") or otherwise relating to the business, products, software, technologies, techniques, processes, services, or research and development of the Company. I further agree not to deliver, reproduce, or in any way allow any Company Confidential Information or any documentation relating thereto to be delivered or used by any third parties without specific direction or consent of the Company. In the event of termination of my employment with the Company for any reason whatsoever, I agree to promptly surrender and deliver to the Company all copies of records, materials, equipment, drawings, documents, and data of any nature pertaining to Company or obtained in connection with my employment with the Company.

2. Assignment of Inventions.

As used in this Agreement, "**Invention**" shall include but not be limited to ideas, improvements, designs, discoveries, developments and works of authorship or artistry (including without limitation software, integrated circuit, printed circuit board or computer design, and documentation). I hereby assign and transfer to the Company my entire right, title, and interest in and to all Inventions, whether or not protectable by patent, trademark, copyright, or mask work right, and whether or not used by the Company, which are reduced to practice, made or conceived by me (solely or jointly with others) during the period of or in connection with my employment with the Company, or otherwise relating in any manner to the business, products, technologies, techniques, processes, services, or research and development of the Company. I agree that all such Inventions shall belong exclusively to the Company.

3. Disclosure of Inventions, Assignment and Execution of Documents.

I agree to disclose each Invention promptly in writing to the Board of Directors and the Chief Executive Officer of the Company, in order to permit the Company to determine rights to which it may be entitled under this Agreement. I hereby assign any Invention required to be assigned by Section 2 above ("**Assignable Invention**"). I agree that Assignable Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not used by the Company or protected by patent, trademark, copyright, mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

I acknowledge and agree that the salary and other benefits which I am entitled to receive from the Company by virtue of my employment or engagement with the Company constitute the sole and exclusive consideration to which I am entitled, by virtue of any contract or law (including, but not limited to, the Israel Patent Law, 5727-1967), in respect of any and all Assignable Inventions, and I hereby waive all past, present and future demands, contentions, allegations or other claims, of any kind, in respect thereof, including the right to receive any additional royalties, consideration or other payments. Without derogating from the aforesaid, it is hereby clarified that the level of my compensation and consideration has been established based upon the aforementioned waiver of rights to receive any such additional royalties, consideration or other payment. For the avoidance of doubt, the foregoing will apply to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "**Patent Law**"), it being clarified that under no circumstances will I be deemed to have any proprietary right in any such Service Invention, notwithstanding the provision or non-provision of any notice of an invention and/or company response to any such notice, under Section 132(b) of the Patent Law. This agreement if expressly intended to be an agreement with regard to the terms and conditions of consideration for Service Inventions in accordance with Section 134 of the Patent Law.

I agree to assist the Company, upon request and at its expense, during and after my employment in every reasonable way, to obtain for its own benefit patents, trademarks, copyrights, mask work rights or other proprietary rights for Assignable Inventions in any and all countries. I agree to execute such papers and perform such lawful acts as the Company deems to be necessary to allow it to exercise all rights, title and interest in such patents, trademarks copyrights, and mask work rights, including executing, acknowledging, and/or delivering to the Company upon request and at its expense, applications.

In the event the Company is unable to secure my signature on any document needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact to act for and on my behalf to execute, verify and file any such document and to do all other lawfully permitted acts to further the prosecution thereon with the same legal force and effect as if executed by me.

Section 2 above will not apply with respect to inventions, if any, patented or unpatented, which I made prior to the commencement of my engagement with the Company. I have attached hereto, as Schedule 1, a complete list of all inventions to which I claim ownership and desire to remove from the scope of this Agreement, and acknowledge that such list is complete ("**Prior Inventions**"). If no such list is attached to this agreement, I hereby represent that I have no such

Prior Inventions at the time of this Agreement. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicenses) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that: (i) I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company's prior written consent, (ii) my failure to obtain such prior consent shall not affect the grant of the license relating to the Prior Inventions as specified in this Section 3.

4. Maintenance of Records.

I agree to keep and maintain adequate and current written records of all Inventions made by me as provided in Section 2 above (in the form of notes, sketches, drawings, and as mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

5. Competitive Activity

(a) Non-Solicitation. During my employment with the Company and for a period of twelve (12) months from the date of termination of my employment for any reason (the "**Termination Date**") I will not contact or provide any assistance to any other person or organization which seeks to contact any of the Company's employees, consultants, service providers, customers, licensors, suppliers, distributors, agents or contractors of whatever nature for the purpose of soliciting, inducing or attempting to induce any of the aforesaid to terminate their relationship with the Company.

(b) Non-Competition. During the term of my employment and for a period of twelve (12) months from the Termination Date, I will not directly or indirectly, compete with the Company, including without limitation:

(i) carry on or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) which competes with the business, products or services of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries), including those products or services contemplated in a plan adopted by the Board of Directors of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) ("a competing business") (including, without limitation, as a shareholder); or

(ii) act as a consultant or employee or officer or in any managerial capacity in a competing business, or supply in competition with the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) restricted services (defined below) to any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) any time during the twelve (12) months immediately prior to the Termination Date; or

(iii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at any time during the twelve (12) months immediately prior to the Termination Date, for the purpose of offering services or products which compete with the services or products supplied by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at the Termination Date ("restricted services").

6. No Conflicting Employee Obligations.

I am not a party to or bound by any employment agreement, agreement not to compete, or other contract that would prohibit my employment with the Company or that would conflict with my obligation to use my best efforts to promote the interests of the Company, or that would conflict with the business conducted and/or proposed to be conducted by the Company.

7. Third Party Confidential information.

I will not disclose or make available to the Company or use or induce the Company to use any trade secret, confidential or proprietary information or material belonging to any previous employer or other person. I represent that my performance of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence any information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I agree not to enter into any agreement either written or oral in conflict herewith.

8. Modification.

This Agreement may not be supplemented, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and an officer of the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement. I further agree that either the Company or I can terminate my employment at any time and for any reason and nothing in this Agreement changes or restricts that right.

9. Entire Agreement.

I acknowledge receipt of this Agreement as part of my Employment Agreement with the Company, and agree that with respect to the subject matter hereof, it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof.

10. Severability.

In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect, and shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be

interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

11. Successors and Assigns.

This Agreement shall be binding upon my heirs, executors, administrators, or other legal representatives and is for the benefit of the Company, its affiliates, successors and assigns.

12. Governing Law.

This Agreement shall be governed by the laws of the State of Israel.

/s/ Guy Sella
Guy Sella — Employee's Signature

March 10, 2015
Date

EXHIBIT B

General Order and Confirmation Regarding Payments of Employers to Pension Funds and Insurance Funds instead of Severance Pay

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963 ("**Law**") I hereby confirm that payments paid by an employer, commencing the date hereof, to an employee's comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 ("**Pension Fund**"), or to a Manager's Insurance Fund that includes the possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund ("**Insurance Fund**"), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan ("**Employer Payments**"), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid ("**Exempt Wages**") if the following conditions are satisfied:

(1) Employer Payments —

(A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for his employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.

(B) to the Insurance Fund are not less that one of the following:

(1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure his monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages ("**Disability Payment**").

(2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee's severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.

(2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that include —

(A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;

(B) an advanced waiver of the employer for any right that he could have to have his payments refunded unless the employee's right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.

(3) This confirmation does not derogate from the employee's entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages.

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of December 1, 2010 by and between **SolarEdge Technologies Ltd**. (the "**Company**") having an address at 6 Haharash Street, Neve Ne'eman, Hod Hasharon, Israel and Ronen Faier, Israeli ID No. 28506178 of 11 Marva st. Herzlia, Israel (the "**Employee**").

WHEREAS: The Company desires to employ the Employee in the position of Chief Financial Officer (the "**Position**") and the Employee desires to enter into such employment, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

1. Employment

(a) The Employee shall be employed by the Company in the Position commencing as of January 2, 2010 (the "**Commencement Date**"). The Employee shall be under the direct supervision of and comply with the directives of the Chief Executive Officer of the Company (the "**Supervisor**"). The Employee shall perform the duties, undertake the responsibilities and exercise the authority as determined from time to time by the Supervisor and as customarily performed, undertaken and exercised by persons situated in a similar position. The Employee's duties and responsibilities hereunder may also include other services performed for subsidiaries and affiliates of the Company

(b) During the course of his employment with the Company, the Employee shall honestly, diligently, skillfully and faithfully serve the Company. The Employee undertakes to devote all his efforts and the best of his qualifications and skills to promoting the business and affairs of the Company, and further undertakes to loyally and fully comply with the decisions of the Board of Directors. The Employee shall at all times act in a manner suitable of his position and status in the Company.

(c) The Employee undertakes to promptly notify the Company regarding any matter or subject in respect of which he has a personal interest and/or which might create a conflict of interest with his position in the Company.

(d) The Employee agrees to devote total attention and full time to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder. During the term of this Agreement the Employee shall not be engaged in any other employment nor directly or indirectly engage in any other business activities in any capacity for any other person, firm or company whether or not for consideration, without the express prior written consent of the Company.

(e) The Employee shall be employed on a full-time basis, and the Employee's duties shall require the Employee, when requested, to work during nights, days of rest and holidays. The Employee acknowledges that the Employee's position is one of management and/or special trust that does not enable the Company to supervise the Employee's hours of work and rest, and

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accordingly the Employee shall not be entitled to and hereby irrevocably waives any claim for any overtime payment under the Law of Work Hours and Rest - 1951, which shall not apply to this Agreement.

(f) The Employee hereby represents and undertakes to the Company all of the following:

(i) All information supplied on the Employee's employment application or resume is true and complete.

(ii) There are no other undertakings or agreements preventing the Employee from making the commitments described herein and performing his obligations under this Agreement.

(iii) To the best of the Employee's knowledge, the Employee is not currently, nor will by entering into this agreement be deemed to be, in breach of any of the Employee's obligations towards any former employer, including without limitation, any non-competition or confidentiality undertakings.

In carrying out the Employee's duties under this agreement, the Employee shall not make any representations or make any commitments on behalf of the Company, except as expressly and in advance authorized so to do.

(iv) The Employee acknowledges and agrees that the Company is entitled to conduct inspections within the Company's offices and on the Company's computers, including inspections of electronic mail transmissions, internet usage and inspections of their content. For the avoidance of any doubt, it is hereby clarified that any such examination's findings shall be the Company's sole property. The Employee acknowledges and agrees that any messages and data sent from, received by, or stored in or upon the Company's computers and communications systems are the sole property of the Company, regardless of the form and/or content of these messages and data. The Employee should not consider messages and data sent from, received by, or stored in or upon the Company's computer and communications systems to be private and should not send, receive, or store sensitive personal or private information using these systems. The Employee is deemed to have consented to any reasonable use, transfer and disclosure of all messages and data contained or sent via the Company's computer and communications systems, including electronic mail. The Employee shall fully comply with the Company's policies regarding computer and network, as may be in effect from time to time, as set forth on the Company's intranet.

(v) The Employee grants consent to the Company and its affiliates, and its/their employees, wherever they may be located, to utilize and process the Employee's personal information, including data collected by the Company for purposes related to the Employee's employment. This may include transfer of the Employee's personnel records outside of Israel and further transfers thereafter. All personnel records are considered confidential and access will be limited and restricted to individuals with need to know or process that information for purposes relating to your employment only, such as management teams and human resource

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personnel. The Company may share personnel records as needed solely for such purposes with third parties assisting human resources administration.

2. Salary

The Company agrees to pay or cause to be paid to the Employee during the term of this Agreement a gross salary of Forty Five Thousand New Israeli Shekels (45,000 NIS) per month (the "**Salary**"). The Salary shall be payable monthly in arrears.
The Salary includes payment for the Employee's transportation costs.

(a) The Salary will be paid no later than the 9th day of each month, one month in arrears, after deduction of any and all taxes and charges applicable to Employee as may be in effect or which may hereafter be enacted or required by law. Employee shall notify the Company of any change which may affect Employee's tax liability.

3. Employee Benefits

(a) The Employee shall be entitled to the following benefits:

(i) Pension Plan. The Company will pay to (unless agreed otherwise by the parties) an insurance company or a pension fund as may be elected by the Employee, for the Employee, an amount equal to 8.33% of the Salary which shall be allocated to a fund for severance pay, and an additional 5% of the Salary in case of an insurance policy, or an additional 6% of the Salary in case of a pension fund, which shall be allocated to a provident fund or pension plan. In addition, the Company will deduct from the Salary an amount equal to 5% of the Salary in case of an insurance policy, or 5.5% in case of a pension plan, which shall constitute the Employee's contribution to the manager's insurance premium for the provident fund or pension plan.

In case the Employee chooses to allocate his pension payments to an insurance policy (and not a pension fund), the Company will also contribute an amount equal to up to 2.5% of the Salary for disability insurance, provided that such insurance is available for the Employee.

The Employee hereby agrees and acknowledges that all of the payments that the Company shall make to the abovementioned manager's insurance policy and/or pension fund shall be instead of any severance pay to which the Employee or Employee's successors shall be entitled to receive from the Company with respect to the salary from which these payments were made and the period during which they were made (the "**Termination Salary**"), in accordance with Section 14 of the Severance Pay Law 5723-1963 (the "**Law**"). The parties hereby adopt the General Approval of the Minister of Labor and Welfare, published in the Official Publications Gazette No. 4659 on June 30, 1998, attached hereto as Exhibit B. The Company hereby waives in advance any claim it has or may have to be refunded any of the payments made to the manager's insurance policy and/or pension fund, unless (1) the Employee's right to severance pay is invalidated by a court ruling on the basis of Sections 16 or 17 of the Law (and in such case only to the extent it is invalidated), or (2) the Employee withdrew funds from the manager's insurance policy for reasons other than an "Entitling Event". An "Entitling Event" means death, disability or retirement at the age of 60 or more.

(ii) Sick Leave. The Employee will be entitled to sick leave as provided by law. Any payment from the disability insurance will be on account of sick leave payment.

(iii) Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance, according to the applicable directive.

(iv) Vacation. The Employee shall be entitled to an annual vacation of 22 working days at full pay (based upon a full time position). A "working day" shall mean Sunday to Thursday inclusive, and Saturday shall be the weekly day of rest of the Employee. The dates of vacation will be coordinated between the Employee and the Company. Subject to the provision of due and reasonable prior notice, the Company may require the Employee to take vacation leave in accordance with applicable law. Subject to applicable law, the Employee may accrue up to two times the number of days available to the Employee.

(v) Educational Fund (Keren Hishtalmut). The Company will contribute to a recognized educational fund an amount equal to 7.5% of each monthly payment of the Salary up to the limit recognized for tax purposes and will deduct from each monthly payment and contribute to such education fund an additional amount equal to 2.5% of each such month's payment up to the limit recognized for tax purposes.

(vi) In addition, the Employee may be eligible to participate in bonus programs, as may be implemented from time to time by the Company at is sole and absolute discretion. To avoid doubt, no disbursements shall be made to manager's insurance or educational fund with respect to any bonus payments, and bonus payments shall not be deemed a portion of the Salary for any purpose, including without limitation, when calculating the Employee's entitlement to severance pay or other amounts payable upon termination of the Employee's employment.

(vii) Motor Vehicle. The Employee shall be entitled to participate in the Company's motor vehicle program and receive a motor vehicle from the Company's vehicle pool, which shall be leased or rented by the Company for use by the Employee in accordance with Company policy, as established from time to time during the period of his employ with the Company. The employee shall execute the Company's "Employee Car Agreement" prior to receiving the motor vehicle. Furthermore, the Employee shall execute a new "Employee Car Agreement" upon the lease of each new or replacement motor vehicle for the Employee, as requested by the Company. To avoid doubt, the Employee shall not be entitled to use a Company car during unpaid leaves or absences from the Company, including maternity leave, and the Employee shall return the Company car for the duration of any such period. For removal of doubt, absence from the Company shall not be deemed to include vacation days, sick leave, military reserve duty, notice periods for termination of employment and/or business travel on behalf of the Company.

(b) Unless specified to the contrary herein, all payments and contributions of the Company under this Agreement shall be limited to the highest deductible amount recognized by the tax authorities.

(c) During any period of the Employee's military reserve service, the Company shall pay the Salary and all other social benefits due to the Employee hereunder. National Insurance Institute payments in connection with such military reserve duty shall be retained by the Company.

(d) Options. Subject to the approval of the Board of Directors of the parent of the Company, SolarEdge Technologies Inc. (the "Parent"), and the execution of an Option Agreement between the Employee and the Parent, the Employee shall be granted options to purchase up to 600,000 shares of Common Stock of the Parent, in accordance with the terms of the SolarEdge Technologies Inc. 2007 Global Incentive Plan (the "Plan"), at an exercise price per share as will be determined by the Parent (the "Options"). 25% of the Options shall vest on the first anniversary of the Commencement Date; the remainder shall vest over a period of 36 months in equal monthly increments, provided that on each such vesting date the Agreement is still in effect. Notwithstanding the above and subject to the terms of the Plan, in the event of a Transaction (as such term is defined in the Plan in which the Options are assumed or substituted by a Successor Company (as such term is defined in the Plan), and if the Employee's employment with the Company or the Successor Company is terminated by the Employee for Justifiable Reason (as defined below) or by the Company and/or the Successor Company within twelve (12) months of the date of the Transaction, then all outstanding and unvested Options shall be accelerated such that all Options shall be fully exercisable at the date of Employee's termination.

For the purpose of this Section "Justifiable Reason" shall mean any of the following: (a) any material change in any of the Salary and/or benefits set forth in this Agreement which was not approved by the Employee other than decrease in Salary to all of the Company's and/or Parent's management; (b) demand that the Employee will relocate; or (c) any material demotion in title, position, management duties, or responsibilities.

4. Expenses

The Employee shall be entitled to receive prompt reimbursement of all direct expenses reasonably incurred by him in connection with the performance of his duties hereunder provided that written receipts are produced for the same and approved by the Company.

The Company shall furnish the Employee with a mobile phone and reimburse the Employee for expenses in connection therewith. The Company shall deduct from the Salary any taxes required in connection with the provision of the mobile phone.

5. Term and Termination

(a) The term of employment under this Agreement will begin as of the Commencement Date and will continue unless either party gives the other prior written notice of termination of this Agreement, in which case this Agreement shall terminate effective as of the later of (a) 60 days after the day of notice or the (b) the date as the effective date of termination of employment specified in such notice after the giving of such notice.

Notwithstanding the foregoing, the first three (3) months of employment under this Agreement shall be deemed a trial period, during which the Company may terminate this Agreement in accordance with applicable law.

In addition, the Company shall have the right to terminate this Agreement at any time by written notice in the event of Cause (as defined below). In such event, this Agreement and the employment relationship shall be deemed effectively terminated as of the time of delivery of such notice.

The term "Cause" shall mean (a) Employee's conviction of a crime of moral turpitude, (b) a material breach of the Employee's fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing, (b) engagement in competing activities, or a material breach of the Employee's confidentiality and non-disclosure obligations towards the Company or its parent company; (c) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (d) any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

(b) In the event that the Company terminates the Employee' s employment at its discretion after providing advance written notice to the Employee under sub-section (a) above, then during such period, the Employee shall be entitled to compensation pursuant to Sections 2 and 3 hereof (or their cash equivalent).

(c) In any event of the termination of this Agreement, the Employee shall immediately return all Company property, equipment, materials and documents and the Employee shall cooperate with the Company and use the Employee's best efforts to assist with the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities. At the option of the Company, the Employee shall during such period either continue with his duties or remain absent from the premises of the Company. Under no circumstances will the Employee have a lien over any property provided by or belonging to the Company.

(d) Notwithstanding anything contained herein to the contrary notwithstanding, the Company at its sole discretion shall have the right to terminate the employment relationship with immediate effect or prior to the end of the notice period set forth in subsection (a) above and pay the Employee in lieu of advance notice or the remainder thereof in accordance with applicable law.

6. Confidentiality; Proprietary Rights

The Employee has executed and agrees to be bound by the provisions governing confidentiality, proprietary rights and non-competition contained in Exhibit A to this Agreement, which provisions will survive termination of this Agreement for any reason.

7. Successors and Assigns

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

8. Notice

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other. All notices and communications shall be deemed to have been received on the date of delivery thereof, except that notice of change of address shall be effective only upon receipt.

The initial addresses of the parties for purposes of this Agreement shall be as set forth in the preamble to this Agreement.

9. Prevention of Sexual Harassment

The Company sees violators of the Law for Prevention of Sexual Harassment (the "**Law**") in a severe light. The Employee acknowledges being informed of the Company's policy regarding sexual harassment, including the existence of Company guidelines for the prevention of sexual harassment that may be received at any time from the employee in charge of enforcing the Law in the Company.

10. Miscellaneous

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made either party which are not expressly set forth in this Agreement. This Agreement shall not be modified or otherwise affected by unwritten "customs" under Israeli employment law, or other terms effective for other employees of the Company.

11. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

12. Severability

In the event that any provision of this Agreement is held invalid or unenforceable in any circumstances by a court of competent jurisdiction, the remainder of this Agreement, and the application of such provision in any other circumstances, shall not be affected thereby, and the

unenforceable provision enforced to the maximum extent permissible under law, or otherwise shall be replaced by an enforceable provision that most nearly approximates the intent of the unenforceable provision.

13. Entire Agreement

(a) This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

(b) This Agreement and its annexes and exhibits constitute notice to the Employee pursuant to the Notice to Employee (Employment Terms) Law -2002.

IN WITNESS WHEREOF:

SolarEdge Technologies Ltd.

By:	/s/ Guy Sella	/s/ Ronen Faier
Name:	Guy Sella	Ronen Faier
Title:	Chief Executive Officer	
Dated:		Dated: December 1, 2010

EXHIBIT A

SOLAREDGE TECHNOLOGIES LTD.
EMPLOYEE PROPRIETARY
INFORMATION AND NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment, by **SolarEdge Technologies Ltd**. and/or by companies which it owns, controls, or by which it is owned or controlled, or with which it is affiliated, or their successors in business (the "**Company**"), and the compensation paid therefor:

1. Confidentiality.

Except as the Company may otherwise consent in writing, I agree to keep confidential and not disclose or make any use of, except for the benefit of the Company, at any time either during or subsequent to my employment by the Company, any trade secrets or confidential or proprietary information of the Company, including without limitation knowledge, data, or other information relating to products, processes, know-how, techniques, designs, formulae, test data, costs, customer lists, employees, business plans, marketing plans and strategies, pricing, or other subject matter pertaining to any past, existing or contemplated business of the Company or any of its employees, clients, customers, consultants, agents, licensees, or affiliates, which I may produce, obtain or otherwise acquire during the course of or in connection with my employment ("**Company Confidential Information**") or otherwise relating to the business, products, software, technologies, techniques, processes, services, or research and development of the Company. I further agree not to deliver, reproduce, or in any way allow any Company Confidential Information or any documentation relating thereto to be delivered or used by any third parties without specific direction or consent of the Company. In the event of termination of my employment with the Company for any reason whatsoever, I agree to promptly surrender and deliver to the Company

all copies of records, materials, equipment, drawings, documents, and data of any nature pertaining to Company or obtained in connection with my employment with the Company.

2. Assignment of Inventions.

As used in this Agreement, "**Invention**" shall include but not be limited to ideas, improvements, designs, discoveries, developments and works of authorship or artistry (including without limitation software, integrated circuit, printed circuit board or computer design, and documentation). I hereby assign and transfer to the Company my entire right, title, and interest in and to all Inventions, whether or not protectable by patent, trademark, copyright, or mask work right, and whether or not used by the Company, which are reduced to practice, made or conceived by me (solely or jointly with others) during the period of or in connection with my employment with the Company, or otherwise relating in any manner to the business, products, technologies, techniques, processes, services, or research and development of the Company. I agree that all such Inventions shall belong exclusively to the Company.

3. Disclosure of Inventions, Assignment and Execution of Documents.

I agree to disclose each Invention promptly in writing to the Board of Directors and the Chief Executive Officer of the Company, in order to permit the Company to determine rights to which it may be entitled under this Agreement. I hereby assign any Invention required to be assigned by Section 2 above ("**Assignable Invention**"). I agree that Assignable Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not used by the Company or protected by patent, trademark, copyright, mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

I acknowledge and agree that the salary and other benefits which I am entitled to receive from the Company by virtue of my employment or engagement with the Company constitute the sole and exclusive consideration to which I am entitled, by virtue of any contract or law (including, but not limited to, the Israel Patent Law, 5727-1967), in respect of any and all Assignable Inventions, and thereby waive all past, present and future demands, contentions, allegations or other claims, of any kind, in respect thereof, including the right to receive any additional royalties, consideration or other payments. Without derogating from the aforesaid, it is hereby clarified that the level of my compensation and consideration has been established based upon the aforementioned waiver of rights to receive any such additional royalties, consideration or other payment. For the avoidance of doubt, the foregoing will apply to any "Service Inventions" as defined in the Israeli Patent Law, 1967 (the "Patent Law"), it being clarified that under no circumstances will be deemed to have any proprietary right in any such Service Invention, notwithstanding the provision or non-provision of any notice of an invention and/or company response to any such notice, under Section 132(b) of the Patent Law. This agreement if expressly intended to be an agreement with regard to the terms and conditions of consideration for Service Inventions in accordance with Section 134 of the Patent Law.

I agree to assist the Company, upon request and at its expense, during and after my employment in every reasonable way, to obtain for its own benefit patents, trademarks, copyrights, mask work rights or other proprietary rights for Assignable Inventions in any and all countries. I agree to execute such papers and perform such lawful acts as the Company deems to be necessary to allow it to exercise all rights, title and interest in such patents, trademarks, copyrights, and mask work rights, including executing, acknowledging, and/or delivering to the Company upon request and at its expense, applications.

In the event the Company is unable to secure my signature on any document needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact to act for and on my behalf to execute, verify and file any such document and to do all other lawfully permitted acts to further the prosecution thereon with the same legal force and effect as if executed by me.

Section 2 above will not apply with respect to inventions, if any, patented or unpatented, which I made prior to the commencement of my engagement with the Company. I have attached hereto, as Schedule 1, a complete list of all inventions to which I claim ownership and desire to remove from the scope of this Agreement, and acknowledge that such list is complete ("**Prior Inventions**"). If no such list is attached to this agreement, I hereby represent that I have no such

Prior Inventions at the time of this Agreement. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicenses) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that: (i) I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company's prior written consent, (ii) my failure to obtain such prior consent shall not affect the grant of the license relating to the Prior Inventions as specified in this Section 3.

4. Maintenance of Records.

I agree to keep and maintain adequate and current written records of all Inventions made by me as provided in Section 2 above (in the form of notes, sketches, drawings, and as may be specified by the Company) which records shall be available to and remain the sole property of the Company at all times.

5. Competitive Activity

(a) Non-Solicitation. During my employment with the Company and for a period of twelve (12) months from the date of termination of my employment for any reason (the "**Termination Date**") I will not contact or provide any assistance to any other person or organization which seeks to contact any of the Company's employees, consultants, service providers, customers, licensors, suppliers, distributors, agents or contractors of whatever nature for the purpose of soliciting, inducing or attempting to induce any of the aforesaid to terminate their relationship with the Company.

(b) Non-Competition. During the term of my employment and for a period of twelve (12) months from the Termination Date, I will not directly or indirectly, compete with the Company, including without limitation:

(i) carry on or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) which competes with the business, products or services of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries), including those products or services contemplated in a plan adopted by the Board of Directors of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) ("a competing business") (including, without limitation, as a shareholder); or

(ii) act as a consultant or employee or officer or in any managerial capacity in a competing business, or supply in competition with the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) restricted services (defined below) to any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) any time during the twelve (12) months immediately prior to the Termination Date; or

(iii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at any time during the twelve

(12) months immediately prior to the Termination Date, for the purpose of offering services or products which compete with the services or products supplied by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at the Termination Date ("restricted services").

6. No Conflicting Employee Obligations.

I am not a party to or bound by any employment agreement, agreement not to compete, or other contract that would prohibit my employment with the Company or that would conflict with my obligation to use my best efforts to promote the interests of the Company, or that would conflict with the business conducted and/or proposed to be conducted by the Company.

7. Third Party Confidential Information.

I will not disclose or make available to the Company or use or induce the Company to use any trade secret, confidential or proprietary information or material belonging to any previous employer or other person. I represent that my performance of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence any information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I agree not to enter into any agreement either written or oral in conflict herewith.

8. Modification.

This Agreement may not be supplemented, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and an officer of the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement. I further agree that either the Company or Icon terminate my employment at any time and for any reason and nothing in this Agreement changes or restricts that right.

9. Entire Agreement.

I acknowledge receipt of this Agreement as part of my Employment Agreement with the Company, and agree that with respect to the subject matter hereof, it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof.

10. Severability.

In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect, and shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

11. Successors and Assigns.

This Agreement shall be binding upon my heirs, executors, administrators, or other legal representatives and is for the benefit of the Company, its affiliates, successors and assigns.

12. Governing Law.

This Agreement shall by governed by the laws of the State of Israel.

/s/ Ronen Faier
Ronen Faier — Employee's Signature

December 1, 2010
Date

EXHIBIT B

General Order and Confirmation Regarding Payments of Employers to Pension Funds and Insurance Funds Instead of Severance Pay

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963 ("**Law**") I hereby confirm that payments paid by an employer, commencing the date hereof, to an employee's comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 ("**Pension Fund**"), or to a Manager's Insurance Fund that includes the possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund ("**Insurance Fund**"), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan ("**Employer Payment**"), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid ("**Exempt Wages**") if the following conditions are satisfied:

(1) Employer Payments -

(A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for his employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.

(B) to the Insurance Fund are not less that one of the following:

(1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure his monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages ("**Disability Payment**").

(2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee's severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.

(2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that include -

(A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;

(B) an advanced waiver of the employer for any right that he could have to have his payments refunded unless the employee's right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.

(3) This confirmation does not derogate from the employee's entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages.

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of May 17th, 2009 by and between **SolarEdge Technologies Ltd.** (the "**Company**") and Zvi Lando Israeli ID No. 12347175 of Maale Doron 25, Modiin (the "**Employee**").

WHEREAS: The Company desires to employ the Employee in the position of Global Vice President of Sales (the "**Position**") and the Employee desires to enter into such employment, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, the parties agree as follows:

1. Employment

(a) The Employee shall be employed by the Company in the Position commencing as of May 17th, 2009 (the "**Commencement Date**"). The Employee shall be under the direct supervision of and comply with the directives of CEO of the Company (the "**Supervisor**"). The Employee shall perform the duties, undertake the responsibilities and exercise the authority as determined from time to time by the Supervisor and as customarily performed, undertaken and exercised by persons situated in a similar capacity. The Employee's duties and responsibilities hereunder may also include other services performed for subsidiaries and affiliates of the Company

(b) During the course of his employment with the Company, the Employee shall honestly, diligently, skillfully and faithfully serve the Company. The Employee undertakes to devote all his efforts and the best of his qualifications and skills to promoting the business and affairs of the Company, and further undertakes to loyally and fully comply with the decisions of the Board of Directors as delivered to him by the Supervisor. The Employee shall at all times act in a manner suitable of his position and status in the Company.

(c) The Employee undertakes to promptly notify the Company regarding any matter or subject in respect of which he has a personal interest and/or which might create a conflict of interest with his position in the Company.

(d) The Employee agrees to devote total attention and full time to the business and affairs of the Company as required to discharge the responsibilities assigned to the Employee hereunder. During the term of this Agreement the Employee shall not be engaged in any other employment nor directly or indirectly engage in any other business activities in any capacity for any other person, firm or company whether or not for consideration, without the express prior written consent of the Company.

(e) The Employee shall be employed on a full-time basis, and the Employee's duties shall require the Employee, when requested, to work during nights, days of rest and holidays. The Employee acknowledges that the Employee's position is one of management and/or special trust that does not enable the Company to supervise the Employee's hours of work and rest, and accordingly the Employee shall not be entitled to and hereby irrevocably waives any claim for

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any overtime payment under the Law of Work Hours and Rest - 1951, which shall not apply to this Agreement.

(f) The Employee hereby represents and undertakes to the Company all of the following:

(i) All information supplied on the Employee's employment application or resume is true and complete.

(ii) There are no other undertakings or agreements preventing the Employee from making the commitments described herein and performing his obligations under this Agreement.

(iii) To the best of the Employee's knowledge, the Employee is not currently, nor will by entering into this agreement be deemed to be, in breach of any of the Employee's obligations towards any former employer, including without limitation, any non-competition or confidentiality undertakings.

(iv) In carrying out the Employee's duties under this agreement, the Employee shall not make any representations or make any commitments on behalf of the Company, except as expressly and in advance authorized so to do by virtue of the Position.

(v) The Employee acknowledges and agrees that the Company is entitled to conduct inspections within the Company's offices and on the Company's computers, including inspections of electronic mail transmissions, Internet usage and inspections of their content. For the avoidance of any doubt, it is hereby clarified that any such examination's findings shall be the Company's sole property. The Employee acknowledges and agrees that any messages and data sent from, received by, or stored in or upon the Company's computers and communications systems are the sole property of the Company, regardless of the form and/or content of these messages and data. The Employee should not consider messages and data sent from, received by, or stored in or upon the Company's computer and communications systems to be private and should not send, receive, or store sensitive personal or private information using these systems. The Employee is deemed to have consented to any reasonable use, transfer and disclosure of all messages and data contained or sent via the Company's computer and communications systems, including electronic mail. The Employee shall fully comply with the Company's policies regarding computer and network, as may be in effect from time to time, as set forth on the Company's intranet.

(vi) The Employee grants consent to the Company and its affiliates, and its/their employees, wherever they may be located, to utilize and process the Employee's personal information, including data collected by the Company for purposes related to the Employee's employment. This may include transfer of the Employee's personnel records outside of Israel and further transfers thereafter. All personnel records are considered confidential and access will be limited and restricted to individuals with need to know or process that information for purposes relating to your employment only, such as management teams and human resource personnel. The Company may share personnel records as needed solely for such purposes with third parties assisting human resources administration.

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2. Salary

(a) The Company agrees to pay or cause to be paid to the Employee during the term of this Agreement a gross salary of NIS 37,000 (Thirty Seven Thousand New Israeli Shekels) per month (the "**Salary**"). The Salary shall be payable monthly in arrears.

In addition, you will be entitled to a quarterly bonus in the amount of NIS 28,000 (Thirty One thousand and Two hundred New Israeli Shekels) ("Quarterly Bonus") effective from Commencement date till the Company shall have in place a Sales Bonus Plan, at that time the Quarterly Bonus shall be substituted by your Sales Bonus as mutually agreed between the Employee and the Company.

The Salary includes payment for the Employee's transportation costs.

(b) The Salary will be paid no later than the 9th day of each month, one month in arrears, after deduction of any and all taxes and charges applicable to Employee as may be in effect or which may hereafter be enacted or required by law. Employee shall notify the Company of any change which may affect Employee's tax liability.

3. Employee Benefits

(a) The Employee shall be entitled to the following benefits:

(i) Pension Plan. The Company will pay to (unless agreed otherwise by the parties) an insurance company or a pension fund, for the Employee, an amount equal to 13.33% of each monthly payment of the Salary, 8.33% of which shall be allocated to a fund for severance pay, and 5% shall be allocated to a provident fund, manager's insurance policy or pension plan (Tagmulim). In addition, the Company will deduct an amount equal to 5% of the Employee's Salary, which shall constitute the Employee's contribution to the Tagmulim premium for the provident fund, manager's insurance policy or pension plan.

The Company will also contribute up to 2.5% of the Salary for disability insurance, provided that such insurance is available for the Employee.

The Employee hereby agrees and acknowledges that all of the payments that the Company shall make to the abovementioned manager's insurance policy and/or pension fund shall be instead of any severance pay to which the Employee or Employee's successors shall be entitled to receive from the Company with respect to the salary from which these payments were made and the period during which they were made (the "Termination Salary"), in accordance with Section 14 of the Severance Pay Law 5723-1963 (the "Law"). The parties hereby adopt the General Approval of the Minister of Labor and Welfare, published in the Official Publications Gazette No. 4659 on June 30, 1998, attached hereto as Exhibit B. The Company hereby waives in advance any claim it has or may have to be refunded any of the payments made to the manager's insurance policy and/or the pension fund, unless (1) the Employee's right to severance pay is invalidated by a court ruling on the basis of Sections 16 or 17 of the Law (and in such case only to the extent it is invalidated), or (2) the Employee withdrew funds from the manager's insurance policy for reasons other than an "Entitling Event". An "Entitling Event" means death, disability or retirement at the age of 60 or more.

(ii) Sick Leave. The Employee will be entitled to sick leave as provided by law. Any payment from the disability insurance will be on account of sick leave payment.

(iii) Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance, according to the applicable directive.

(iv) Vacation. The Employee shall be entitled to an annual vacation of 22 working days at full pay (based upon a full time position). A "working day" shall mean Sunday to Thursday inclusive. The dates of vacation will be coordinated between the Employee and the Company. Subject to the provision of due and reasonable prior notice, the Company may require the Employee to take vacation leave in accordance with applicable law. Subject to applicable law, the Employee may accrue vacation time of up to 60 working days.

(v) Educational Fund (Keren Hishtalmut). The Company will contribute to a recognized educational fund an amount equal to 7.5% of each monthly Salary up to the limit recognized for tax purposes. The Company will also deduct from Employee's monthly Salary and contribute to such education fund an additional amount equal to 2.5% of each such month's Salary up to the limit recognized for tax purposes.

(vi) In addition, the Employee may be eligible to participate in bonus programs, as may be implemented from time to time by the Company at is sole and absolute discretion. To avoid doubt, no disbursements shall be made to any provident fund / pension fund / manager's insurance policy or education fund with respect to any bonus payments, and bonus payments shall not be deemed a portion of the Employee's Salary for any purpose, including without limitation, when calculating the Employee's entitlement to severance pay or other amounts payable upon termination of the Employee's employment.

(vii) Motor Vehicle. The Employee shall be entitled to participate in the Company's motor vehicle program and receive a motor vehicle from Company's vehicle pool, which shall be leased or rented by the Company for use by the Employee in accordance with Company policy, as established from time to time during the period of his employment with the Company. The employee shall execute the Company's "Employee Car Agreement" prior to receiving the motor vehicle. Furthermore, the Employee shall execute a new "Employee Car Agreement" upon the lease of each new or replacement motor vehicle for the Employee, as requested by the Company. To avoid doubt, the Employee shall not be entitled to use a Company car during unpaid leaves or absences from the Company, including maternity leave, and the Employee shall return the Company car for the duration of any such period. For the avoidance of doubt, absence from the Company shall not be deemed to include vacation days, sick leave, military reserve duty and/or business travel on behalf of the company.

(b) Unless specified to the contrary herein, all payments and contributions of the Company under this Agreement shall be limited to the highest deductible amount recognized by the tax authorities.

(c) During any period of the Employee's military reserve service, the Company shall pay the Salary and all other social benefits due to the Employee hereunder. National Insurance

Institute payments in connection with such military reserve duty shall be retained by the Company.

(d) Options. Subject to the approval of the Board of Directors of the parent of the Company, SolarEdge Technologies Inc. (the "**Parent**"), and the execution of an Option Agreement between the Employee and the Parent, the Employee shall be granted options to purchase up to 480,000 shares of Common Stock of the Parent, in accordance with the terms of the SolarEdge Technologies Inc. 2007 Global Incentive Plan (the "**Plan**"), at an exercise price per share as will be determined by the Parent (the "**Options**"). 25% of the Options shall vest on the first anniversary of the Commencement Date; the remainder shall vest over a period of 36 months in equal monthly increments, provided that on each such vesting date the Agreement is still in effect. Notwithstanding, and subject to the terms of the Plan, in the event of Transaction (as such term is defined in the Plan) in which the Options are assumed or substituted by the Successor Company (as such term is defined in the Plan), and the employee's employment with the Successor Company is terminated without Cause (as such term is defined in the Plan), within twelve (12) months from the date of Transaction, then all outstanding Options held by Employee at the date of termination of employment will effective as of such date immediately accelerate and become fully exercisable by Employee.

4. Expenses

The Employee shall be entitled to receive prompt reimbursement of all direct expenses reasonably incurred by him in connection with the performance of his duties hereunder provided that written receipts are produced for the same and approved by the Company.

5. Term and Termination

(a) The term of employment under this Agreement will begin as of the Commencement Date and will continue unless either party gives the other prior written notice of termination of this Agreement, in which case this Agreement shall terminate effective as of the later of (a) 60 days after the day of notice or the (b) the date as the effective date of termination of employment specified in such notice after the giving of such notice.

Notwithstanding the foregoing, the first three (3) months of employment under this Agreement shall be deemed a trial period, during which the Company may terminate this Agreement in accordance with applicable law.

In addition, the Company shall have the right to terminate this Agreement at any time by written notice in the event of Cause (as defined below). In such event, this Agreement and the employment relationship shall be deemed effectively terminated as of the time of delivery of such notice.

The term "Cause" shall mean (a) Employee's conviction of a crime of moral turpitude, (b) a material breach of the Employee's fiduciary duties towards the Company or its parent company, including theft, embezzlement, or self-dealing, (b) engagement in competing activities, or a material breach of the Employee's confidentiality and non-disclosure Obligations towards the Company or its parent company; (c) a material breach of this Agreement by the Employee which is not cured (if curable) within seven (7) days after receipt of written notice thereof; or (d)

any other circumstances under which severance pay (or part of them) may be denied from the Employee upon termination of employment under the applicable Israeli law.

(b) In the event that the Company terminates the Employee's employment at its discretion after providing advance written notice to the Employee under sub-section (a) above, then during such period, the Employee shall be entitled to compensation pursuant to Sections 2 and 3 hereof (or their cash equivalent).

(c) In any event of the termination of this Agreement, the Employee shall immediately return all Company property, equipment, materials and documents and the Employee shall cooperate with the Company and use the Employee's best efforts to assist with the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities. At the option of the Company, the Employee shall during such period either continue with his duties or remain absent from the premises of the Company. Under no circumstances will the Employee have a lien over any property provided by or belonging to the Company.

(d) Notwithstanding anything contained herein to the contrary notwithstanding, the Company at its sole discretion shall have the right to terminate the employment relationship with immediate effect or prior to the end of the notice period set forth in subsection (a) above and pay the Employee in lieu of advance notice or the remainder thereof in accordance with applicable law.

6. Confidentiality; Proprietary Rights

The Employee has executed and agrees to be bound by the provisions governing confidentiality, proprietary rights and non-competition contained in Exhibit A to this Agreement, which provisions will survive termination of this Agreement for any reason.

7. Successors and Assigns

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Employee, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Employee's legal personal representative.

8. Notice

For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be deemed to have been duly given when personally delivered or sent by registered mail, postage prepaid, addressed to the respective addresses set forth below or last given by each party to the other. All notices and communications shall be deemed to have been received on the date of delivery thereof, except that notice of change of address shall be effective only upon receipt.

The initial addresses of the parties for purposes of this Agreement shall be as follows:

The Company:

The Employee: At his address in the preamble.

9. Prevention of Sexual Harassment

The Company sees violations of the Law for Prevention of Sexual Harassment (the "**Law**") in a severe light. The Employee acknowledges being informed of the Company's policy regarding sexual harassment, including the existence of Company guidelines for the prevention of sexual harassment that may be received at any time from the employee in charge of enforcing the Law in the Company.

10. Miscellaneous

No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made either party which are not expressly set forth in this Agreement. This Agreement shall not be modified or otherwise affected by unwritten "customs" under Israeli employment law, or other terms effective for other employees of the Company.

11. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Israel.

12. Severability

In the event that any provision of this Agreement is held invalid or unenforceable in any circumstances by a court of competent jurisdiction, the remainder of this Agreement, and the application of such provision in any other circumstances, shall not be affected thereby, and the unenforceable provision enforced to the maximum extent permissible under law, or otherwise shall be replaced by an enforceable provision that most nearly approximates the intent of the unenforceable provision.

13. Entire Agreement

(a) This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

(b) This Agreement and its annexes and exhibits constitute notice to the Employee pursuant to the Notice to Employee (Employment Terms) Law — 2002.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF:

SolarEdge Technologies Ltd.

By:	**/s/ Guy Sella**	**/s/ Zvi Lando**
Name:	**Guy Sella**	**Zvi Lando**
Title:	**CEO**	
Dated:	**May 17, 2009**	

Dated: May 15, 2009

EXHIBIT A

SOLAREDGE TECHNOLOGIES LTD.
EMPLOYEE PROPRIETARY
INFORMATION AND NON-COMPETITION AGREEMENT

In consideration and as a condition of my employment, by **SolarEdge Technologies Ltd.** and/or by companies which it owns, controls, or by which it is owned or controlled, or with which it is affiliated, or their successors in business (the "**Company**"), and the compensation paid therefor:

1. Confidentiality.

Except as the Company may otherwise consent in writing, I agree to keep confidential and not disclose or make any use of, except for the benefit of the Company, at any time either during or subsequent to my employment by the Company, any trade secrets or confidential or proprietary information of the Company, including without limitation knowledge, data, or other information relating to products, processes, know-how, techniques, designs, formulae, test data, costs, customer lists, employees, business plans, marketing plans and strategies, pricing, or other subject matter pertaining to any past, existing or contemplated business of the Company or any of its employees, clients, customers, consultants, agents, licensees, or affiliates, which 1 may produce, obtain or otherwise acquire during the course of or in connection with my employment ("**Company Confidential Information**") or otherwise relating to the business, products, software, technologies, techniques, processes, services, or research and development of the Company. I further agree not to deliver, reproduce, or in any way allow any Company Confidential Information or any documentation relating thereto to be delivered or used by any third parties without specific direction or consent of the Company.

In the event of termination of my employment with the Company for any reason whatsoever, I agree to promptly surrender and deliver to the Company all copies of records, materials, equipment, drawings, documents, and data of any nature pertaining to Company or obtained in connection with my employment with the Company.

2. Assignment of Inventions.

As used in this Agreement, "**Invention**" shall include but not be limited to ideas, improvements, designs, discoveries, developments and works of authorship or artistry (including without limitation software, integrated circuit, printed circuit board or computer design, and documentation). I hereby assign and transfer to the Company my entire right, title, and interest in and to all Inventions, whether or not protectable by patent, trademark, copyright, or mask work right, and whether or not used by the Company, which are reduced to practice, made or conceived by me (solely or jointly with others) during the period of or in connection with my employment with the Company, or otherwise relating in any manner to the business, products, technologies, techniques, processes, services, or research and development of the Company. I agree that all such Inventions shall belong exclusively to the Company.

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3. Disclosure of Inventions, Assignment and Execution of Documents.

I agree to disclose each Invention promptly in writing to the Board of Directors and the Chief Executive Officer of the Company, in order to permit the Company to determine rights to which it may be entitled under this Agreement. I hereby assign any Invention required to be assigned by Section 2 above ("Assignable Invention"). I agree that Assignable Inventions shall be and remain the sole and exclusive property of the Company or its nominee, whether or not used by the Company or protected by patent, trademark, copyright, mask work right or trade secrecy. I agree to preserve any Assignable Invention as Company Confidential Information.

I agree to assist the Company, upon request and at its expense, during and after my employment in every reasonable way, to obtain for its own benefit patents, trademarks, copyrights, mask work rights or other proprietary rights for Assignable Inventions in any and all countries. I agree to execute such papers and perform such lawful acts as the Company deems to be necessary to allow it to exercise all rights, title and interest in such patents, trademarks copyrights, and mask work rights, including executing, acknowledging, and/or delivering to the Company upon request and at its expense, applications.

In the event the Company is unable to secure my signature on any document needed to apply for or prosecute any patent, copyright, or other right or protection relating to an Invention. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact to act for and on my behalf to execute, verify and file any such document and to do all other lawfully permitted acts to further the prosecution thereon with the same legal force and effect as if executed by me.

Section 2 above will not apply with respect to inventions, if any, patented or unpatented, which I made prior to the commencement of my engagement with the Company ("**Prior Inventions**"). If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicenses) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that: (i) I will not incorporate, or permit to be incorporated, Prior Inventions in any Company Inventions without the Company's prior written consent, (ii) my failure to obtain such prior consent shall not affect the grant of the license relating to the Prior Inventions as specified in this Section 3.

4. Maintenance of Records.

I agree to keep and maintain adequate and current written records of all Inventions made by me as provided in Section 2 above (in the form of notes, sketches, drawings, and as may be specified by the Company) which records shall be available to and remain the sole property of the Company at all times.

5. Competitive Activity

(a) Non-Solicitation. During my employment with the Company and for a period of twelve (12) months from the date of termination of my employment for any reason (the "**Termination Date**") I will not contact or provide any assistance to any other person or

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organization which seeks to contact any of the Company's employees, consultants, service providers, customers, licensors, suppliers, distributors, agents or contractors of whatever nature for the purpose of soliciting, inducing or attempting to induce any of the aforesaid to terminate their relationship with the Company.

(b) Non-Competition. During the term of my employment and for a period of twelve (12) months from the Termination Date, I will not directly or indirectly, compete with the Company, including without limitation:

(i) carry on or hold an interest in any company, venture, entity or other business (other than a minority interest in a publicly traded company) which competes with the business, products or services of the Company (or, if applicable its parent company or any of its or the Company's

subsidiaries), including those products or services contemplated in a plan adopted by the Board of Directors of the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) ("a competing business") (including, without limitation, as a shareholder); or

(ii) act as a consultant or employee or officer or in any managerial capacity in a competing business, or supply in competition with the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) restricted services (defined below) to any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) any time during the twelve (12) months immediately prior to the Termination Date; or

(iii) solicit, canvass or approach or endeavor to solicit, canvass or approach any person who, to his knowledge, was provided with services by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at any time during the twelve (12) months immediately prior to the Termination Date, for the purpose of offering services or products which compete with the services or products supplied by the Company (or, if applicable its parent company or any of its or the Company's subsidiaries) at the Termination Date ("restricted services").

6. No Conflicting Employee Obligations.

I am not a party to or bound by any employment agreement, agreement not to compete, or other contract that would prohibit my employment with the Company or that would conflict with my obligation to use my best efforts to promote the interests of the Company, or that would conflict with the business conducted and/or proposed to be conducted by the Company.

7. Third Party Confidential information.

I will not disclose or make available to the Company or use or induce the Company to use any trade secret, confidential or proprietary information or material belonging to any previous employer or other person. I represent that my performance of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence any information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I agree not to enter into any agreement either written or oral in conflict herewith.

8. Modification.

This Agreement may not be supplemented, modified, released, discharged, abandoned, or otherwise amended, in whole or in part, except by an instrument in writing, signed by me and an officer of the Company. I agree that any subsequent change or changes in my duties, salary, or compensation shall not affect the validity or scope of this Agreement. I further agree that either the Company or I can terminate my employment at any time and for any reason and nothing in this Agreement changes or restricts that right.

9. Entire Agreement.

I acknowledge receipt of this Agreement as part of my Employment Agreement with the Company, and agree that with respect to the subject matter hereof, it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof.

10. Severability.

In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable, such paragraph or provision shall be severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect, and shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

11. Successors and Assigns.

This Agreement shall be binding upon my heirs, executors, administrators, or other legal representatives and is for the benefit of the Company, its affiliates, successors and assigns.

12. Governing Law.

This Agreement shall be governed by the laws of the State of Israel.

/s/ Zvi Lando
Employee's Signature

May 17, 2009
Date

EXHIBIT B

General Order and Confirmation Regarding Payments of Employers to Pension Funds and Insurance Funds instead of Severance Pay

Pursuant to the power granted to me under section 14 of the Severance Pay Law 5723-1963 ("**Law**") I hereby confirm that payments paid by an employer, commencing the date hereof, to an employee's comprehensive pension fund into a provident fund which is not an insurance fund, as defined in the Income Tax Regulations (Registration and Management Rules of a Provident Fund) 5724-1964 ("**Pension Fund**"), or to a Manager's Insurance Fund that includes the

possibility of an allowance or a combination of payments to an Allowance Plan and to a plan which is not an Allowance Plan in an Insurance Fund ("**Insurance Fund**"), including payments which the employer paid by combination of payments to a Pension Fund and to an Insurance Fund whether there exists a possibility in the Insurance Fund to an allowance plan ("**Employer Payments**"), will replace the severance pay that the employee is entitled to for the salary and period of which the payments were paid ("**Exempt Wages**") if the following conditions are satisfied:

(1) Employer Payments —

(A) for Pension Funds are not less than 14.33 % of the Exempt Wages or 12% of the Exempt Wages, if the employer pays for his employee an additional payment on behalf of the severance pay completion for a providence fund or Insurance Fund at the rate of 2.33% of the Exempt Wages. If an employer does not pay the additional 2.33% on top of the 12%, then the payment will constitute only 72% of the Severance Pay.

(B) to the Insurance Fund are not less that one of the following:

(1) 13.33% of the Exempt Wages if the employer pays the employee additional payments to insure his monthly income in case of work disability, in a plan approved by the Supervisor of the Capital Market, Insurance and Savings in the Finance Ministry, at the lower of, a rate required to insure 75% of the Exempt Wages or 2.5% of the Exempt Wages ("**Disability Payment**").

(2) 11% of the Exempt Wages if the employer pays an additional Disability Payment and in this case the Employer Payments will constitute only 72% of the employee's severance pay; if, in addition to the abovementioned sum, the employer pays 2.33% of the Exempt Wages for the purpose of Severance Pay completion to providence fund or Insurance Funds, the Employer Payments will constitute 100% of the severance pay.

(2) A written agreement must be made between the employer and employee no later than 3 months after the commencement of the Employer Payments that include —

(A) the agreement of the employee to the arrangement pursuant to this confirmation which details the Employer Payments and the name of the Pension Fund or Insurance Fund; this agreement must include a copy of this confirmation;

(B) an advanced waiver of the employer for any right that he could have to have his payments refunded unless the employee's right to severance pay is denied by judgment according to sections 16 or 17 of the Law, and in case the employee withdrew monies from the Pension Fund or Insurance Fund not for an Approved Event; for this matter, Approved Event or purpose means death, disablement or retirement at the age of 60 or over.

(3) This confirmation does not derogate from the employee's entitlement to severance pay according to the Law, Collective Agreement, Extension Order or personal employment agreement, for any salary above the Exempt Wages.

SOLAREDGE TECHNOLOGIES, INC.

2015 GLOBAL INCENTIVE PLAN

ADOPTED BY THE BOARD: JANUARY 28, 2015
APPROVED BY THE STOCKHOLDERS: , 2015
EFFECTIVE DATE: , 2015

1. GENERAL.

(a) **Successor to and Continuation of Prior Plan**.

(i) The Plan is the successor to and continuation of the Company's 2007 Global Incentive Plan, as amended and together with attachments thereto (the "**Prior Plan**"). From and after 12:01 a.m. Eastern time on the Effective Date, no additional stock awards will be granted under the Prior Plan. All stock awards granted under the Prior Plan remain subject to the terms of the Prior Plan. All Awards granted on or after 12:01 a.m. Eastern Time on the Effective Date are subject to the terms of this Plan.

(ii) Any shares that would otherwise remain available for future grants under the Prior Plan as of 12:01 a.m. Eastern Time on the Effective Date will cease to be available under the Prior Plan at such time.

(iii) From and after 12:01 a.m. Eastern time on the Effective Date, a number of shares of Common Stock equal to the total number of shares of common stock subject to outstanding stock awards granted under the Prior Plan that (A) expire or terminate for any reason prior to exercise or settlement, (B) are forfeited because of the failure to meet a contingency or condition required to vest or issue such shares or repurchased at the original issuance price, or (C) are otherwise reacquired or are withheld (or not issued) to satisfy a tax withholding obligation in connection with an award or as consideration for the exercise or purchase price of an award (the "**Returning Shares**") will immediately be added to the Share Reserve (as further described in Section 3(a) below) as and when such shares become Returning Shares and become available for issuance pursuant to Stock Awards granted hereunder.

(b) **Eligible Award Recipients**. Employees, Directors, and Consultants are eligible to receive Awards.

(c) **Available Awards**. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) Stock Appreciation Rights; (iv) Restricted Stock Awards; (v) Restricted Stock Unit Awards; (vi) Performance Stock Awards; (vii) Performance Cash Awards; and (viii) Other Stock Awards.

(d) **Purpose**. This Plan, through the granting of Awards, 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 any Affiliate and provide a means by which the eligible recipients may benefit from increases in value of the Common Stock.

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2. ADMINISTRATION.

(a) **Administration by Board**. The Board will administer the Plan. The Board may delegate administration of the Plan to a Committee or Committees, as provided in Section 2(c).

(b) **Powers of Board**. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine: (A) who will be granted Awards; (B) when and how each Award will be granted; (C) what type of Award will be granted; (D) the provisions of each Award (which need not be identical), including when a person will be permitted to exercise or otherwise receive cash or Common Stock under the Award; (E) the number of shares of Common Stock subject to, or the cash value of, an Award; and (F) the Fair Market Value applicable to a Stock Award.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for administration of the Plan and Awards. The Board, in the exercise of these powers, may correct any defect, omission or inconsistency in the Plan or in any Award Document or in the written terms of a Performance Cash Award, in a manner and to the extent it will deem necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate, in whole or in part, or to extend, in whole or in part, the time during which an Award may be exercised or vest, or at which cash or shares of Common Stock may be issued.

(v) To suspend or terminate the Plan at any time. Except as otherwise provided in the Plan or an Award Document, suspension or termination of the Plan will not materially impair a Participant's rights under his or her then-outstanding Award without his or her written consent except as provided in subsection (viii) below.

(vi) To amend the Plan in any respect the Board deems necessary or advisable, including, without limitation, adopting amendments relating to Incentive Stock Options and nonqualified deferred compensation under Section 409A of the Code and/or making the Plan or Awards granted under the Plan exempt from or compliant with the requirements for Incentive Stock Options or exempt from or compliant with the requirements for nonqualified deferred compensation under Section 409A of the Code, subject to the limitations, if any, of applicable law. If required by applicable law or listing requirements, and except as provided in Section 10(a) relating to Capitalization Adjustments, the Company will seek stockholder approval of any amendment of the Plan that (A) materially increases the number of shares of Common Stock available for issuance under the Plan, (B) materially expands the class of individuals eligible to receive Awards under the Plan, (C) materially increases the benefits accruing to Participants under the Plan, (D) materially reduces the price at which shares of Common Stock may be issued or purchased under the Plan, (E) materially extends the term of the Plan, or (F) materially expands the types of Awards available for issuance under the Plan. Except as otherwise provided in the Plan (including subsection (viii) below) or an Award Document, no amendment of the

Plan will materially impair a Participant's rights under an outstanding Award without the Participant's written consent.

(vii) To submit any amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of (A) Section 162(m) of the Code regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to Covered Employees, (B) Section 422 of the Code regarding "incentive stock options" or (C) Rule 16b-3 of Exchange Act or any successor rule.

(viii) To approve forms of Award Documents for use under the Plan and to amend the terms of any one or more outstanding Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Documents for such Awards, subject to any specified limits in the Plan that are not subject to Board discretion. A Participant's rights under any Award will not be impaired by any such amendment unless the Company requests the consent of the affected Participant, and the Participant consents in writing. However, a Participant's rights will not be deemed to have been impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. In addition, subject to the limitations of applicable law, if any, the Board may amend the terms of any one or more Awards without the affected Participant's consent (A) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (B) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code, (C) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code, or (D) to comply with other applicable laws or listing requirements.

(ix) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan and/or Award Documents.

(x) To adopt such procedures and sub-plans as are necessary or appropriate (A) to permit or facilitate participation in the Plan by persons eligible to receive Awards under the Plan who are not citizens of, subject to taxation by, or employed outside, the United States or (B) allow Awards to qualify for special tax treatment in a jurisdiction other than the United States. Board approval will not be necessary for immaterial modifications to the Plan or any Award Document that are required for compliance with the laws of the relevant jurisdiction.

(xi) To effect, with the consent of any adversely affected Participant, (A) the reduction of the exercise, purchase or strike price of any outstanding Stock Award; (B) the cancellation of any outstanding Stock Award and the grant in substitution therefore of a new (1) Option or SAR, (2) Restricted Stock Award, (3) Restricted Stock Unit Award, (4) Other Stock Award, (5) cash award and/or (6) award of other valuable consideration determined by the Board, in its sole discretion, with any such substituted award (x) covering the same or a different number of shares of Common Stock as the cancelled Stock Award and (y) granted under the Plan or another equity or compensatory plan of the Company; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

(c) **Delegation to Committee**.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee). Any delegation of administrative powers will be reflected in the charter of the Committee to which the delegation is made, or resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Committee may, at any time, abolish the subcommittee and/or revest in the Committee any powers delegated to any subcommittee. Unless otherwise provided by the Board, delegation of authority by the Board to a Committee, or to an Officer or employee pursuant to Section 2(d), does not limit the authority of the Board, which may continue to exercise any authority so delegated and may concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Section 162(m) and Rule 16b-3 Compliance. The Committee may consist solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3 of the Exchange Act.

(d) **Delegation to an Officer or Employee**. The Board may delegate to one (1) or more Officers or employees the authority to do one or both of the following: (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by applicable law, other Stock Awards) and, to the extent permitted by applicable law, the terms of such Awards; and (ii) determine the number of shares of Common Stock to be subject to such Stock Awards granted to such Employees; provided, however, that the Board resolutions regarding such delegation will specify the total number of shares of Common Stock that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any such Stock Awards will be granted on a form that is substantially the same as the form of Stock Award Document approved by the Committee or the Board for use in connection with such Stock Awards, unless otherwise provided for in the resolutions approving the delegation authority. The Board may not delegate authority to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) to determine the Fair Market Value (as defined below), except that an Officer may calculate or cause to have calculated the Fair Market Value based on a formula or guidelines established under the Plan or by the Board or Committee.

(e) **Effect of Board's Decision**. All determinations, interpretations and constructions made by the Board (or a duly authorized Committee, subcommittee, Officer or employee exercising powers delegated by the Board under this Section 2) in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

(a) **Share Reserve**.

(i) Subject to Section 10(a) relating to Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Stock Awards from and after the Effective Date will not exceed 1,443,126 shares of Common Stock (the "**Share Reserve**") plus (A) any Returning Shares and (B) shares of Common Stock added as a result of the "evergreen" provision in Section 3(a)(ii).

(ii) The Share Reserve will automatically increase on January 1st of each year beginning in 2016 and ending with a final increase on January 1, 2025, 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. The Board may provide that there will be no January 1st increase in the Share Reserve for any such year or that the increase in the Share Reserve for any such year will be a smaller number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence.

(iii) For clarity, the Share Reserve is a limitation on the number of shares of Common Stock that may be issued under the Plan. As a single share may be subject to grant more than once (e.g., if a share subject to a Stock Award is forfeited, it may be made subject to grant again as provided in Section 3(b) below), the Share Reserve is not a limit on the number of Stock Awards that can be granted.

(iv) Shares may be issued under the terms of this Plan in connection with a merger or acquisition as permitted by NASDAQ Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, AMEX Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(b) **Reversion of Shares to the Share Reserve**. If a Stock Award or any portion of a Stock Award (i) expires, is cancelled or forfeited or otherwise terminates without all of the shares covered by the Stock Award having been issued or (ii) is settled in cash (i.e., the Participant receives cash rather than stock), such expiration, cancellation, forfeiture, termination or settlement will not reduce (or otherwise offset) the number of shares of Common Stock that are available for issuance under the Plan. If any shares of Common Stock issued under a Stock Award are forfeited back to, reacquired at no cost by, or repurchased at cost by the Company because of the failure to meet a contingency or condition required to vest such shares in the Participant, then the shares that are forfeited, reacquired or repurchased will revert to and again become available for issuance under the Plan. Any shares retained and not issued by the Company in satisfaction of tax withholding obligations on a Stock Award or as consideration for the exercise or purchase price of a Stock Award will not reduce (or otherwise offset) the number of shares of Common Stock that are available for issuance under the Plan. Any shares reacquired by the Company (as distinguished from being retained without issuance by the Company) in satisfaction of tax withholding obligations on a Stock Award, as consideration for the exercise or purchase price of a Stock Award, or with the proceeds paid by the Participant under the terms of a Stock Award, will again become available for issuance under the Plan, but only if such

reacquisition occurs during the period beginning on the Effective Date and ending on the tenth (10^{th}) anniversary of the date on which the Company's stockholders initially approved the Plan.

(c) **Incentive Stock Option Limit**. Subject to Section 10(a) relating to Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued on the exercise of Incentive Stock Options will be 10,000,000 shares of Common Stock.

(d) **Section 162(m) Limitations**. Subject to Section 10(a) relating to Capitalization Adjustments, at such time as the Company is subject to the applicable provisions of Section 162(m) of the Code, the following limitations will apply:

(i) A maximum of 1,500,000 shares of Common Stock subject to Options, SARs and Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date any such Stock Award is granted may be granted under the Plan as "qualified performance-based compensation" under Section 162(m) of the Code to any one Participant during any calendar year. Grants in excess of the foregoing annual limit of any additional Options, SARs or Other Stock Awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the Fair Market Value on the date any such Stock Award is granted will not satisfy the requirements for such "qualified performance-based compensation" unless such additional Stock Awards are separately approved by the Company's stockholders in a manner that complies with the applicable requirements of Section 162(m) of the Code.

(ii) A maximum of 1,500,000 shares of Common Stock subject to Performance Stock Awards may be granted to any one Participant during any one calendar year (whether the grant, vesting or exercise is contingent upon the attainment during the Performance Period of the Performance Goals).

(iii) A maximum of USD $3,000,000 may be granted as a Performance Cash Award to any one Participant during any one calendar year.

If a Performance Stock Award is in the form of an Option, it will count only against the Performance Stock Award limit. If a Performance Stock Award could (but is not required to) be paid out in cash, it will count only against the Performance Stock Award limit.

(e) **Source of Shares**. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

4. ELIGIBILITY.

(a) **Eligibility for Specific Stock Awards**. Incentive Stock Options may be granted only to employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code). Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants; provided, however, that Stock Awards may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company, as such term is defined

in Rule 405 of the Securities Act, unless (i) the stock underlying such Stock Awards is treated as "service recipient stock" under Section 409A of the Code (for example, because the Stock Awards are granted pursuant to a corporate transaction such as a spin off transaction), or (ii) the Company, in consultation with its legal counsel, has determined that such Stock Awards are otherwise exempt from or comply with the distribution requirements of Section 409A of the Code.

(b) **Ten Percent Stockholders**. A Ten Percent Stockholder will not be granted an Incentive Stock Option unless the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

5. PROVISIONS RELATING TO OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option or SAR will be in such form and will contain such terms and conditions as the Board deems appropriate. All Options will be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. If an Option is not specifically designated as an Incentive Stock Option, or if an Option is designated as an Incentive Stock Option but some portion or all of the Option fails to qualify as an Incentive Stock Option under the applicable rules, then the Option (or portion thereof) will be a Nonstatutory Stock Option. The provisions of separate Options or SARs need not be identical; provided, however, that each Award Document will conform to (through incorporation of provisions hereof by reference in the applicable Award Document or otherwise) the substance of each of the following provisions:

(a) **Term**. Subject to Section 4(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of 10 years from the date of its grant or such shorter period specified in the Award Document.

(b) **Exercise Price**. Subject to Section 4(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will be not less than 100% of the Fair Market Value of the Common Stock subject to the Option or SAR on the date the Award is granted. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value of the Common Stock subject to the Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a corporate transaction and in a manner consistent with the provisions of Section 409A of the Code and, if applicable, Section 424(a) of the Code. Each SAR will be denominated in shares of Common Stock equivalents.

(c) **Purchase Price for Options**. The purchase price of Common Stock acquired pursuant to the exercise of an Option may be paid, to the extent permitted by applicable law and as determined by the Board in its sole discretion, by any combination of the methods of payment set forth below. The Board will have the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to use a particular method of payment.

The purchase price shall be denominated in U.S. dollars. The permitted methods of payment are as follows:

(i) by cash, check, bank draft or money order payable to the Company;

(ii) pursuant to a program developed under Regulation T as promulgated by the United States Federal Reserve Board or a successor regulation, or a similar rule in a foreign jurisdiction of domicile of a Participant, that, prior to or contemporaneously with the issuance of the stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the proceeds of sale of such stock;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock;

(iv) if an Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; provided, however, that the Company will accept cash or other payment from the Participant to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued. Shares of Common Stock will no longer be subject to an Option and will not be exercisable thereafter to the extent that (A) shares issuable upon exercise are used to pay the exercise price pursuant to the “net exercise,” (B) shares are delivered to the Participant as a result of such exercise, and (C) shares are withheld to satisfy tax withholding obligations; or

(v) in any other form of legal consideration that may be acceptable to the Board and specified in the applicable Award Document.

(d) **Exercise and Payment of a SAR**. To exercise any outstanding SAR, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Right Award Document evidencing such SAR. The appreciation distribution payable on the exercise of a SAR will be not greater than an amount equal to the excess of (A) the aggregate Fair Market Value (on the date of the exercise of the SAR) of a number of shares of Common Stock equal to the number of Common Stock equivalents in which the Participant is vested under such SAR (with respect to which the Participant is exercising the SAR on such date), over (B) the aggregate strike price of the number of Common Stock equivalents with respect to which the Participant is exercising the SAR on such date. The appreciation distribution may be paid in Common Stock, in cash, in any combination of the two or in any other form of consideration, as determined by the Board and contained in the Award Document evidencing such SAR.

(e) **Transferability of Options and SARs**. The Board may, in its sole discretion, impose such limitations on the transferability of Options and SARs as the Board determines. In the absence of such a determination by the Board to the contrary, the following restrictions on the transferability of Options and SARs will apply:

(i) Restrictions on Transfer. An Option or SAR will not be transferable except by will or by the laws of descent and distribution (or pursuant to subsections (ii) and (iii) below), and will be exercisable during the lifetime of the Participant only by the Participant. The Board may permit transfer of the Option or SAR in a manner that is not prohibited by applicable tax and securities laws. Except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration.

(ii) Domestic Relations Orders. Subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by U.S. Treasury Regulation 1.421-1(b)(2) or other applicable law. If an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer.

(iii) Beneficiary Designation. Subject to the approval of the Board or a duly authorized Officer, a Participant may, by delivering written notice to the Company, in a form approved by the Company (or the designated broker), designate a third party who, on the death of the Participant, will thereafter be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation,

the executor or administrator of the Participant's estate will be entitled to exercise the Option or SAR and receive the Common Stock or other consideration resulting from such exercise. However, the Company may prohibit designation of a beneficiary at any time, including due to any conclusion by the Company that such designation would be inconsistent with the provisions of applicable laws.

(f) **Vesting Generally**. The total number of shares of Common Stock subject to an Option or SAR may vest and therefore become exercisable in periodic installments that may or may not be equal. The Option or SAR may be subject to such other terms and conditions on the time or times when it may or may not be exercised (which may be based on the satisfaction of Performance Goals or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options or SARs may vary. The provisions of this Section 5(f) are subject to any Option or SAR provisions governing the minimum number of shares of Common Stock as to which an Option or SAR may be exercised.

(g) **Termination of Continuous Service**. Except as otherwise provided in the applicable Award Document, or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates (other than for Cause and other than upon the Participant's death or Disability), the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Award as of the date of termination of Continuous Service) within the period of time ending on the earlier of (i) the date three (3) months following the termination of the Participant's Continuous Service and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR will terminate.

(h) **Extension of Termination Date**. Except as otherwise provided in the applicable Award Document, or other agreement between the Participant and the Company, if the exercise

of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause and other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option or SAR will terminate on the earlier of (i) the expiration of a total period of three (3) months (that need not be consecutive) after the termination of the Participant's Continuous Service during which the exercise of the Option or SAR would not be in violation of such registration requirements, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. In addition, unless otherwise provided in a Participant's applicable Award Document, or other agreement between the Participant and the Company, if the sale of any Common Stock received upon exercise of an Option or SAR following the termination of the Participant's Continuous Service (other than for Cause) would violate the Company's insider trading policy, and the Company does not waive the potential violation of the policy or otherwise permit the sale, or allow the Participant to surrender shares of Common Stock to the Company in satisfaction of any exercise price and/or any withholding obligations under Section 9(h), then the Option or SAR will terminate on the earlier of (i) the expiration of a period of months (that need not be consecutive) equal to the applicable post-termination exercise period after the termination of the Participant's Continuous Service during which the sale of the Common Stock received upon exercise of the Option or SAR would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document.

(i) **Disability of Participant**. Except as otherwise provided in the applicable Award Document, or other agreement between the Participant and the Company, if a Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise his or her Option or SAR (to the extent that the Participant was entitled to exercise such Option or SAR as of the date of termination of Continuous Service), but only within such period of time ending on the earlier of (i) the date 12 months following such termination of Continuous Service, and (ii) the expiration of the term of the Option or SAR as set forth in the applicable Award Document. If, after termination of Continuous Service, the Participant does not exercise his or her Option or SAR within the applicable time frame, the Option or SAR (as applicable) will terminate.

(j) **Death of Participant**. Except as otherwise provided in the applicable Award Document, or other agreement between the Participant and the Company, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in this Plan or the applicable Award Document, or other agreement between the Participant and the Company, for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then the Option or SAR may be exercised (to the extent the Participant was entitled to exercise such Option or SAR as of the date of death) by the Participant's estate, by a person who acquired the right to exercise the Option or SAR by bequest or inheritance or by a person designated to exercise the Option or SAR upon the Participant's death, but only within the period ending on the earlier of (i) the date 18 months following the date of death, and (ii) the expiration of the term of such Option or SAR as set forth in the applicable Award Document. If, after the Participant's death, the Option or SAR is not exercised within the applicable time frame, the Option or SAR will terminate.

(k) **Termination for Cause**. Except as explicitly provided otherwise in a Participant's Award Document or other individual written agreement between the Company or any Affiliate and the Participant, if a Participant's Continuous Service is terminated for Cause, the Option or SAR will terminate upon the date on which the event giving rise to the termination for Cause first occurred, and the Participant will be prohibited from exercising his or her Option or SAR from and after the date on which the event giving rise to the termination for Cause first occurred (or, if required by law, the date of termination of Continuous Service). If a Participant's Continuous Service is suspended pending an investigation of the existence of Cause, all of the Participant's rights under the Option or SAR will also be suspended during the investigation period.

(i) **Non-Exempt Employees**. If an Option or SAR is granted to an Employee who is a non-exempt employee for purposes of the U.S. Fair Labor Standards Act of 1938, as amended, the Option or SAR will not be first exercisable for any shares of Common Stock until at least 6 months following the date of grant of the Option or SAR (although the Award may vest prior to such date). Consistent with the provisions of the U.S. Worker Economic Opportunity Act, (i) if such non-exempt Employee dies or suffers a Disability, (ii) upon a Change in Control in which such Option or SAR is not assumed, continued, or substituted, or (iii) upon the non-exempt Employee's retirement (as such term may be defined in the non-exempt Employee's applicable Award Document, in another agreement between the non-exempt Employee and the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines), the vested portion of any Options and SARs may be exercised earlier than 6 months following the date of grant. The foregoing provision is intended to operate so that any income derived by a non-exempt Employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay. To the extent permitted and/or required for compliance with the U.S. Worker Economic Opportunity Act to ensure that any income derived by a non-exempt Employee in connection with the exercise, vesting or issuance of any shares under any other Stock Award will be exempt from such employee's regular rate of pay, the provisions of this paragraph will apply to all Stock Awards and are hereby incorporated by reference into such Stock Award Documents.

6. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS AND SARS.

(a) **Restricted Stock Awards**. Each Restricted Stock Award Document will be in such form and will contain such terms and conditions as the Board deems appropriate. To the extent consistent with the Company's bylaws, at the Board's election, shares of Common Stock may be (x) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse, or (y) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. The terms and conditions of Restricted Stock Award Documents may change from time to time, and the terms and conditions of separate Restricted Stock Award Documents need not be identical. Each Restricted Stock Award Document will conform to (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. A Restricted Stock Award may be awarded in consideration for (A) cash, check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of legal consideration (including

future services) that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. Shares of Common Stock awarded under the Restricted Stock Award Document may be subject to forfeiture to the Company in accordance with a vesting schedule and subject to such conditions as may be determined by the Board.

(iii) Termination of Participant's Continuous Service. If a Participant's Continuous Service terminates, the Company may receive through a forfeiture condition or a repurchase right, any or all of the shares of Common Stock held by the Participant that have not vested as of the date of termination of Continuous Service under the terms of the Restricted Stock Award Document.

(iv) Transferability. Common Stock issued pursuant to an Award, and rights to acquire shares of Common Stock under the Restricted Stock Award Document, will be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award Document, as the Board determines in its sole discretion, so long as such Common Stock remains subject to the terms of the Restricted Stock Award Document.

(v) Dividends. A Restricted Stock Award Document may provide that any dividends paid on Restricted Stock will be subject to the same vesting and forfeiture restrictions as apply to the shares subject to the Restricted Stock Award to which they relate.

(b) **Restricted Stock Unit Awards**. Each Restricted Stock Unit Award Document will be in such form and will contain such terms and conditions as the Board deems appropriate. The terms and conditions of Restricted Stock Unit Award Documents may change from time to time, and the terms and conditions of separate Restricted Stock Unit Award Documents need not be identical. Each Restricted Stock Unit Award Document will conform to (through incorporation of the provisions hereof by reference in the Agreement or otherwise) the substance of each of the following provisions:

(i) Consideration. At the time of grant of a Restricted Stock Unit Award, the Board will determine the consideration, if any, to be paid by the Participant upon delivery of each share of Common Stock subject to the Restricted Stock Unit Award. The consideration to be paid (if any) by the Participant for each share of Common Stock subject to a Restricted Stock Unit Award may be paid in any form of legal consideration that may be acceptable to the Board, in its sole discretion, and permissible under applicable law.

(ii) Vesting. At the time of the grant of a Restricted Stock Unit Award, the Board may impose such restrictions on or conditions to the vesting of the Restricted Stock Unit Award as it, in its sole discretion, deems appropriate.

(iii) Payment. A Restricted Stock Unit Award may be settled by the delivery of shares of Common Stock, their cash equivalent, any combination thereof or in any other form of consideration, as determined by the Board and contained in the Restricted Stock Unit Award Document.

(iv) Additional Restrictions. At the time of the grant of a Restricted Stock Unit Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the shares of Common Stock (or their cash equivalent) subject to a Restricted Stock Unit Award to a time after the vesting of such Restricted Stock Unit Award.

(v) Dividend Equivalents. Dividend equivalents may be credited in respect of shares of Common Stock covered by a Restricted Stock Unit Award, as determined by the Board and contained in the Restricted Stock Unit Award Document. At the sole discretion of the Board, such dividend equivalents may be converted into additional shares of Common Stock covered by the Restricted Stock Unit Award in such manner as determined by the Board. Any additional shares covered by the Restricted Stock Unit Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Restricted Stock Unit Award Document to which they relate.

(vi) Termination of Participant's Continuous Service. Except as otherwise provided in the applicable Restricted Stock Unit Award Document, or other agreement between the Participant and the Company, such portion of the Restricted Stock Unit Award that has not vested will be forfeited upon the Participant's termination of Continuous Service.

(c) **Performance Awards**.

(i) Performance Stock Awards. A Performance Stock Award is a Stock Award (covering a number of shares not in excess of that set forth in Section 3(d) above) that is payable (including that may be granted, vest or exercised) contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Stock Award may, but need not, require the completion of a specified period of Continuous Service. The length of any Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board, or an authorized Officer or employee), in its sole discretion. In addition, to the extent permitted by applicable law and the applicable Award Document, the Board may determine that cash may be used in payment of Performance Stock Awards.

(ii) Performance Cash Awards. A Performance Cash Award is a cash award (for a dollar value not in excess of that set forth in Section 3(d)(iii) above) that is granted and/or becomes payable contingent upon the attainment during a Performance Period of certain Performance Goals. A Performance Cash Award may also require the completion of a specified period of Continuous Service. At the time of grant of a Performance Cash Award, the length of any

Performance Period, the Performance Goals to be achieved during the Performance Period, and the measure of whether and to what degree such Performance Goals have been attained will be conclusively determined by the Committee (or, if not required for compliance with Section 162(m) of the Code, the Board, or an authorized Officer or employee), in its sole discretion. The Board may specify the form of payment of Performance Cash Awards, which may be cash or other property, or may provide for a Participant to have the option for his or her Performance Cash Award, or such portion thereof as the Board may specify, to be paid in whole or in part in cash or other property.

(iii) Board Discretion. The Committee (or, if not required for compliance with Section 162(m) of the Code, the Board, or an authorized Officer or employee), retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for a Performance Period.

(iv) Section 162(m) Compliance. Unless otherwise permitted in compliance with the requirements of Section 162(m) of the Code with respect to an Award intended to qualify as "performance-based compensation" thereunder, the Committee will establish the Performance Goals applicable to, and the formula for calculating the amount payable under, the Award no later than the earlier of (A) the date 90 days after the commencement of the applicable Performance Period, and (B) the date on which 25% of the Performance Period has elapsed, and in any event at a time when the achievement of the applicable Performance Goals remains substantially uncertain. Prior to the payment of any compensation under an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code, the Committee will certify in writing the extent to which any Performance Goals and any other material terms under such Award have been satisfied (other than in cases where such relate solely to the increase in the value of the Common Stock). Notwithstanding satisfaction of any completion of any Performance Goals, the number of shares of Common Stock, Options, cash or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced by the Committee on the basis of such further considerations as the Committee, in its sole discretion, will determine. For avoidance of doubt, nothing in this Plan shall limit the discretion of the Board, the Committee or any other duly authorized delegate of the Board to grant Awards that do not comply with the requirements under Section 162(m) of the Code.

(d) **Other Stock Awards**. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value of the Common Stock at the time of grant) may be granted either alone or in addition to Stock Awards provided for under Section 5 and the preceding provisions of this Section 6. Subject to the provisions of the Plan, the Board will have sole and complete authority to determine the persons to whom and the time or times at which such Other Stock Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Stock Awards and all other terms and conditions of such Other Stock Awards.

7. GRANTS OF STOCK AWARDS TO NON-EMPLOYEE DIRECTORS.

In addition to any other Stock Awards that Directors may be granted on a discretionary basis under the Plan, each Director who at the time of grant is not either (i) an employee of the Company or any of its Subsidiaries, or (ii) a consultant performing material services for the Company or any of its Subsidiaries ("**Eligible Director**"), shall be automatically granted without the necessity of action by the Board, the following Stock Awards:

(a) **Initial Stock Award**. On the date that a Director commences service on the Board and satisfies the definition of an Eligible Director, initial Stock Awards shall

automatically be made to that Eligible Director. Notwithstanding the foregoing, if that date is during a regular quarterly blackout period under the Company's Insider Trading Policy, then the Initial Grant (as defined below) will be issued upon termination of that regular quarterly blackout period, but not earlier than the day after the completion of two full day trading sessions of the principal exchange or market system upon which the Common Stock trades following the filing of the SEC report on Form 10-Q or Form 10-K that includes financial statements for the most recently completed fiscal quarter of the Company. The Fair Market Value of the Stock Awards shall not exceed Four Hundred Fifty Thousand dollars (USD $450,000) ("**Initial Grant**"). Subject to the terms of the Plan, the Compensation Committee shall determine in its sole discretion the type or types of Stock Awards made under an Initial Grant. The exercise price of any Option granted under the Initial Grant shall be one hundred percent (100%) of the Fair Market Value of the Company's Common Stock subject to the option on the date the option is granted. The maximum term of any such Option shall be ten (10) years. The Initial Grant shall generally vest and become exercisable (if applicable) over a period of three (3) years in equal annual installments provided that the Director remains in Continuous Service during that period. The Initial Grant shall vest in full upon the occurrence of a Change in Control, provided that such Director in still in Continuous Service at such time. In all other respects, Stock Awards granted pursuant to an Initial Grant shall contain in substance the same terms and conditions as set forth in Section 5 with respect to Options or SARs and Section 6 with respect to other Stock Awards. If at the time a Director commences service on the Board, the Director does not satisfy the definition of an Eligible Director, such Director shall not be entitled to an Initial Grant at any time, even if such Director subsequently becomes an Eligible Director.

(b) **Annual Stock Award**. An annual grant of Stock Awards shall automatically be made to each Director who either (1) is re-elected to the Board at the Company's Annual General Meeting of Stockholders ("**Annual Meeting**") or (2) is a continuing Director immediately after such Annual Meeting because the class in which such Director sits was not up for election, and in either case is an Eligible Director on the relevant grant date. The Fair Market Value of such Stock Awards shall not exceed Two Hundred Thousand Dollars (USD $200,000) ("**Annual Grant**"). Subject to the terms of the Plan, the Compensation Committee shall determine in its sole discretion the type or types of Stock Awards made under an Annual Grant. The date of grant of an Annual Grant is the date immediately following the date of the Annual Meeting at which the Director is re-elected to serve on the Board or immediately after which continues to serve on the Board, as applicable. Notwithstanding the immediately preceding sentence, if that date is during a regular quarterly blackout period under the Company's Insider Trading Policy, then the Annual Grant will be issued upon termination of that regular quarterly blackout period, but not earlier than the day after the completion of two full day trading sessions of the principal exchange or market system upon which the Common Stock trades following the filing of the SEC report on Form 10-Q or Form 10-K that includes financial statements for the most recently completed fiscal quarter of the Company. The exercise price of any Option granted under the Annual Grant shall be one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. The maximum term of any such Option shall be ten (10) years. An Annual Grant shall generally vest and become exercisable (if applicable) on the earlier of the first anniversary of the grant date provided that the Director remains in Continuous Service during that period or the next regular Annual Meeting. The Annual Grant shall vest in full upon the occurrence of a Change in Control, provided that such Director in still in Continuous Service at such time. In all other respects, Stock Awards granted

pursuant to an Annual Grant shall contain in substance the same terms and conditions as set forth in Section 5 with respect to Options or SARs and Section 6 with respect to other Stock Awards.

Each individual who is appointed as a Director between Annual Meetings and is an Eligible Director at the time of appointment will receive a Stock Award ("**Pro-Rata Grant**"). The date of grant of a Pro-Rata Award shall be the date on which such a Director commences service on the Board; provided, however, if that date is during a regular quarterly blackout period under the Company's Insider Trading Policy, then the Pro-Rata Grant will be issued upon termination of that regular quarterly blackout period, but not earlier than the day after the completion of two full day trading sessions of the principal exchange or market system upon which the Common Stock trades following the filing of the SEC report on Form 10-Q or Form 10-K that includes financial statements for the most recently completed fiscal quarter of the Company. The Fair Market Value of a Pro-Rata Grant shall not exceed the product of Sixteen Thousand Six Hundred Sixty Six dollars and sixty seven cents (USD $16,666.67) and the number of full 30-day periods from the date of election or appointment to the Board until the scheduled date of the next Annual Meeting (if the next annual meeting has not yet been scheduled, assuming the next annual meeting is scheduled to be held on the same month and day as the immediately preceding annual meeting). In all other respects, Stock Awards granted pursuant to a Pro-Rata Grant shall contain in substance the same terms and conditions as an Annual Grant.

8. COVENANTS OF THE COMPANY.

(a) **Availability of Shares**. The Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy then-outstanding Stock Awards.

(b) **Securities Law Compliance**. The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell shares of Common Stock upon exercise of the Stock Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Stock Award or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of an Award or the subsequent issuance of cash or Common Stock pursuant to the Award if such grant or issuance would be in violation of any applicable securities law.

(c) **No Obligation to Notify or Minimize Taxes**. The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to, and does not undertake to, provide tax advice or to minimize the tax consequences of an Award to the holder of such Award.

9. MISCELLANEOUS.

(a) **Use of Proceeds from Sales of Common Stock**. Proceeds from the sale of shares of Common Stock pursuant to Stock Awards will constitute general funds of the Company.

(b) **Corporate Action Constituting Grant of Awards**. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date that all necessary corporate action has occurred and all terms of the Award (including, in the case of stock options, the exercise price thereof) are fixed, unless otherwise determined by the Board, regardless of when the documentation evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Document as a result of a clerical error in the papering of the Award Document, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Document.

(c) **Stockholder Rights**. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of shares of Common Stock under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Stock subject to such Stock Award has been entered into the books and records of the Company.

(d) **No Employment or Other Service Rights**. Nothing in the Plan, any Award Document or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or any other capacity or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without cause, including, but not limited to, Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the organizational documents of the Company or an Affiliate (including articles of incorporation and bylaws), and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

(e) **Change in Time Commitment**. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence), or the Participant's role or primary responsibilities are changed to a level that, in the Board's determination does not justify the Participant's unvested Awards, and such reduction or change occurs after the date of grant of any Award to the Participant, the Board has the right in its sole discretion to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in

combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(f) **Incentive Stock Option Limitations**. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds USD$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(g) **Investment Assurances**. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award, and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (i) the issuance of the shares upon the exercise of a Stock Award or acquisition of Common Stock under the Stock Award has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

(h) **Withholding Obligations**. Unless prohibited by the terms of an Award Document, the Company may, in its sole discretion, satisfy any national, state, local or other tax withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such other amount as may be necessary to avoid classification of the Stock Award as a liability for financial accounting purposes); (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant, including proceeds from the sale of shares of Common Stock issued pursuant to a Stock Award; or (v) by such other method as may be set forth in the Award Document.

(i) **Electronic Delivery**. Any reference herein to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto), or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access).

(j) **Deferrals**. To the extent permitted by applicable law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. Deferrals by Participants will be made in accordance with Section 409A of the Code (to the extent applicable to a Participant). Consistent with Section 409A of the Code, the Board may provide for distributions while a Participant is still an employee or otherwise providing services to the Company. The Board is authorized to make deferrals of Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant's termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable law.

(k) **Compliance with Section 409A**. Unless otherwise expressly provided for in an Award Document, or other agreement between the Participant and the Company, the Plan and Award Documents will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, to the extent that Section 409A of the Code is applicable to an Award, and, to the extent not so exempt, in compliance with Section 409A of the Code. If the Board determines that any Award granted hereunder is subject to Section 409A of the Code, the Award Document evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Document is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Document. Notwithstanding anything to the contrary in this Plan (and unless the Award Document specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code and the Participant is otherwise subject to Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six (6) months following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six (6) month period elapses, with the balance paid thereafter on the original schedule.

(i) **Clawback/Recovery**. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Document as the Board determines necessary or appropriate, including, but not limited to, a reacquisition right in respect

of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or an Affiliate.

10. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) **Capitalization Adjustments**. In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a); (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 3(c); (iii) the class(es) and maximum number of securities that may be awarded to any person pursuant to Section 3(d); 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. The Board will make such adjustments, and its determination will be final, binding and conclusive.

(b) **Dissolution or Liquidation**. Except as otherwise provided in the Stock Award Document, or other agreement between the Participant and the Company, 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 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 a forfeiture condition 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 the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) **Change in Control**. The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board will 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 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 as the Board will determine (or, if the Board will not determine such a date, to the date that is 5 days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control, and with such exercise reversed if the Change in Control does not become effective;

(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 the Board, in its reasonable determination, may consider appropriate as an approximation of the value of the canceled Award, taking into account the value of the Common Stock subject to the canceled Award, the possibility that the Award might not otherwise vest in full, and such other factors as the Board deems relevant; and

(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 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.

The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.

In the absence of any affirmative determination by the Board 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 (the "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 the Board will determine (or, if the Board will not determine such a date, to the date that is 5 days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control, and with such exercise reversed if the Change in Control does not become effective.

(d) **Acceleration of Awards upon a Change in Control**. An Award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control as may be provided in the Award Document for such Award or as may be provided in any other written

agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration will occur.

11. TERMINATION OR SUSPENSION OF THE PLAN.

The Board or the Compensation Committee may suspend or terminate the Plan at any time. The Plan will have no fixed expiration date; provided, however, that no Incentive Stock Option may be granted more than 10 years after the later of (i) the Adoption Date and (ii) the adoption by the Board of any amendment to the Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

12. EFFECTIVE DATE OF PLAN; TIMING OF FIRST GRANT OR EXERCISE.

The Plan shall come into existence on the Effective Date and no Award may be granted under the Plan prior to the Effective Date. In addition, no Stock Award may be exercised (or, in the case of a Restricted Stock Award, Restricted Stock Unit Award, Performance Stock Award, or Other Stock Award, may be granted) and no Performance Cash Award may be settled unless and until the Plan has been approved by the stockholders of the Company, which approval will be within 12 months before or after the Adoption Date.

13. CHOICE OF LAW.

The laws of the State of Delaware will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that state's conflict of laws rules.

14. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "**Adoption Date**" means the date the Plan is adopted by the Board.

(b) "**Affiliate**" means, at the time of determination, any "parent" or "subsidiary" of the Company, as such terms are defined in Rule 405 of the Securities Act. The Board will have the authority to determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(c) "**Award**" means a Stock Award or a Performance Cash Award.

(d) "**Award Document**" means a written agreement between the Company and a Participant, or a written notice issued by the Company to a Participant, evidencing the terms and conditions of an Award.

(e) "**Board**" means the Board of Directors of the Company.

(f) "**Capital Stock**" means each and every class of common stock of the Company, regardless of the number of votes per share.

(g) "**Capitalization Adjustment**" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Stock Award after the Adoption Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(h) "**Cause**" will have the meaning ascribed to such term in any written agreement between the Participant and the Company or any Affiliate defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) Participant's failure substantially to perform his or her duties and responsibilities to the Company or any Affiliate or deliberate material violation of a policy of the Company or any Affiliate; (ii) Participant's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in injury to the Company or any Affiliate; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company or any Affiliate; or (iv) Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company or any Affiliate. The determination as to whether a Participant is being terminated for Cause will be made in good faith by the Company and will be final and binding on the Participant. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company, any Affiliate or such Participant for any other purpose.

(i) "**Change in Control**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 35% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of Ownership held by any Exchange Act Person (the "Subject Person") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes

the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing 65% or more of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) 65% or more of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the Adoption Date, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

If required for compliance with Section 409A of the Code, in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under U.S. Treasury Regulation Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder). The Board may, in its sole discretion and without a Participant's consent, amend the definition of "Change in Control" to conform to the definition of "Change in Control" under Section 409A of the Code, and the regulations thereunder.

(j) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(k) "**Committee**" means a committee of one (1) or more Directors to whom authority has been delegated by the Board in accordance with Section 2(c).

(l) "**Compensation Committee**" means the Compensation Committee of the Board.

(m) "**Common Stock**" means the common stock of the Company.

(n) "**Company**" means SolarEdge Technologies, Inc., a Delaware corporation.

(o) "**Consultant**" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form Registration Statement on Form S-8 or a successor form under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(p) "**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. If the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. In addition, if required for exemption from or compliance with Section 409A of the Code, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under U.S. Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder). A leave of absence will be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the applicable Award Document, the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law.

(q) "**Covered Employee**" will have the meaning provided in Section 162(m)(3) of the Code.

(r) "**Director**" means a member of the Board.

(s) "**Disability**" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months as provided in Sections 22(e)(3) and 409A(a)(2)(C)(i) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(t) "**Effective Date**" means the date of the underwriting agreement between the Company and the underwriters(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering of the Company's securities pursuant to a registration statement filed and declared effective pursuant to the Securities Act.

(u) "**Employee**" means any person providing services as an employee of the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(v) "**Entity**" means a corporation, partnership, limited liability company or other entity.

(w) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(x) "**Exchange Act Person**" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company, or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(y) "**Fair Market Value**" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock as of any date of determination will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume

of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(z) "**Incentive Stock Option**" means an option granted pursuant to Section 5 of the Plan that is intended to be, and that qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(aa) "**Non-Employee Director**" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("Regulation S-K")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3 of the Exchange Act.

(bb) "**Nonstatutory Stock Option**" means any option granted pursuant to Section 5 of the Plan that does not qualify as an Incentive Stock Option.

(cc) "**Officer**" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(dd) "**Option**" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(ee) "**Option Agreement**" means an Award Document evidencing the terms and conditions of an Option grant. Each Option Agreement will be subject to the terms and conditions of the Plan.

(ff) "**Optionholder**" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(gg) "**Other Stock Award**" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 6(d).

(hh) "**Other Stock Award Document**" means an Award Document evidencing the terms and conditions of an Other Stock Award grant. Each Other Stock Award Document will be subject to the terms and conditions of the Plan.

(ii) "**Outside Director**" means a Director who either (i) is not a current employee of the Company or an "affiliated corporation" (within the meaning of U.S. Treasury Regulations promulgated under Section 162(m) of the Code), is not a former employee of the Company or an "affiliated corporation" who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year, has not been an officer of the Company or an "affiliated corporation," and does not receive remuneration from the Company or an "affiliated corporation," either directly or indirectly, in any capacity other than as a Director, or (ii) is otherwise considered an "outside director" for purposes of Section 162(m) of the Code

(jj) "**Own**," "**Owned**," "**Owner**," "**Ownership**" means a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(kk) "**Participant**" means a person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.

(ll) "**Performance Cash Award**" means an award of cash granted pursuant to the terms and conditions of Section 6(c)(ii).

(mm) "**Performance Criteria**" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board: (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.

(nn) "**Performance Goals**" means, for a Performance Period, the one or more goals established by the Board or Committee for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, as appropriate, and in either absolute terms or relative to the performance of one or more comparable companies or the

performance of one or more relevant indices. Performance Goals for financial Performance Criteria may be determined on either a GAAP or non-GAAP basis. Unless specified otherwise by the Board (i) in the Award Document at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles and (12) to exclude the effect of any other unusual, non-recurring gain or loss or other extraordinary item. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Stock Award Document or the written terms of a Performance Cash Award.

(oo) "**Performance Period**" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Stock Award or a Performance Cash Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(pp) "**Performance Stock Award**" means a Stock Award granted under the terms and conditions of Section 6(c)(i).

(qq) "**Plan**" means this 2015 Global Incentive Plan of SolarEdge Technologies, Inc.

(rr) "**Restricted Stock Award**" means an award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(a).

(ss) "**Restricted Stock Award Document**" means an Award Document evidencing the terms and conditions of a Restricted Stock Award grant. Each Restricted Stock Award Document will be subject to the terms and conditions of the Plan.

(tt) "**Restricted Stock Unit Award**" means a right to receive shares of Common Stock which is granted pursuant to the terms and conditions of Section 6(b).

(uu) "**Restricted Stock Unit Award Document**" means an Award Document evidencing the terms and conditions of a Restricted Stock Unit Award grant. Each Restricted Stock Unit Award Document will be subject to the terms and conditions of the Plan.

(vv) "**Securities Act**" means the U.S. Securities Act of 1933, as amended.

(ww) "**Stock Appreciation Right**" or "**SAR**" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 5.

(xx) "**Stock Appreciation Right Award Document**" means an Award Document evidencing the terms and conditions of a Stock Appreciation Right grant. Each Stock Appreciation Right Award Document will be subject to the terms and conditions of the Plan.

(yy) "**Stock Award**" means any right to receive Common Stock granted under the Plan, including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a Restricted Stock Unit Award, a Stock Appreciation Right, a Performance Stock Award, or any Other Stock Award.

(zz) "**Stock Award Document**" means an Award Document evidencing the terms and conditions of a Stock Award grant. Each Stock Award Document will be subject to the terms and conditions of the Plan.

(aaa) "**Subsidiary**" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(bbb) "**Ten Percent Stockholder**" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

END OF DOCUMENT

Exhibit 21.1

SUBSIDIARIES OF SOLAREDGE TECHNOLOGIES, INC.

Name of Subsidiary	Jurisdiction of Incorporation
SOLAREDGE TECHNOLOGIES LTD.	Israel
SOLAREDGE TECHNOLOGIES GMBH	Germany
SOLAREDGE TECHNOLOGIES (CHINA)	China (Shanghai)
SOLAREDGE TECHNOLOGIES (AUSTRALIA) PTY LTD.	Australia
SOLAREDGE TECHNOLOGIES (CANADA) LTD.	Canada
SOLAREDGE TECHNOLOGIES (HOLLAND) B.V.	Holland
SOLAREDGE TECHNOLOGIES (UK) LTD.	United Kingdom
SOLAREDGE TECHNOLOGIES (JAPAN) CO., LTD.	Japan

Exhibit 23.1

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 for Note 2g, Note 8, Note 11, Note 12, Note 16b, Note 16c and Note 16i, as to which the date is , 2015) in the Registration Statement (Form S-1) and the related Prospectus of SolarEdge Technologies Inc. dated , 2015.

, 2015
Tel-Aviv, Israel

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

The foregoing consent is in the form that will be signed upon completion of the 1-for-3 reverse share split described in Note 16(i) to the financial statements.

March 10, 2015
Tel-Aviv, Israel

/s/ KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

QuickLinks

Exhibit 99.1

Consent of Director Nominee

Pursuant to Rule 438 under the Securities Act of 1933, as amended, in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of SolarEdge Technologies, Inc., the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ M. Gani
Marcel Gani

Dated: March 10, 2015

Exhibit 99.2

Consent of Director Nominee

Pursuant to Rule 438 under the Securities Act of 1933, as amended, in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of SolarEdge Technologies, Inc., the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ Tal Payne
Tal Payne

Dated: March 10, 2015