SOLAREDGE TECHNOLOGIES INC

MEETING DATE	Tue, 01 Jun 2021 9:00 am	TYPE	AGM	ISSUE DATE	Thu, 27 May 2021
MEETING LOCATION	Virtual-Only Meeting: www.virtualshareholdermeeting.com/SEDG2021				
CURRENT INDICES	PIRC Global				
SECTOR	Semiconductors and related devices				
FYE	31 Dec 2020				

	PROPOSALS	ADVICE
1a	**Elect Nadav Zafrir - Chair (Non Executive)** Independent Non-Executive Chair. Triodos supports this resolution.	**For**
1b	**Elect Avery More - Non-Executive Director** Non-Executive Director. Not considered independent as he was the sole seed investor in the company through his fund, ORR Partners I, L.P. In addition, he has served on the Board for over nine years. There is sufficient independent representation on the Board. He is chair of the Remuneration Committee which is less than 50% independent and which Triodos does not support. Triodos opposes this resolution.	**Oppose**
1c	**Elect Zivi Lando - Chief Executive** Chief Executive.	**For**
2	**Appoint the Auditors** EY proposed. Non-audit fees represented 16.29% of audit fees during the year under review and 16.57% on a three-year aggregate basis.This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.	**For**
3	**Advisory Vote on Executive Compensation** The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap. The company included non-financial metrics into the annual bonus structure, which is considered best practice. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. The company uses only one performance metrics to determine the pay-out of performance awards. Instead of the use of a sole performance metric, it would be preferred that pay-out be linked to at least two or more performance metrics, with the inclusion of an non-financial performance criteria. Performance metrics are replicated under different incentive plans, raising concerns that executives are being rewarded twice for the same performance. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. SolarEdge also uses options as part of its long-term incentive plan, which Triodos strongly opposes. Triodos opposes this resolution.	**Oppose**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3 - Advisory Vote on Executive Compensation

Disclosure: D - The company has provided the level of fees paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The performance metrics used to award the Annual bonus have not been disclosed. Specific performance targets for all long-term awards have not been adequately disclosed.

Balance: D - Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap. The company included non-financial metrics into the annual bonus structure, which is considered best practice. The annual incentive award made during the year under review is not considered to be overly excessive as it amounts to less than 200% of base salary. The company uses only one performance metrics to determine the payout of performance awards. Instead of the use of a sole performance metric, it would be preferred that payout be linked to at least two or more performance metrics, with the inclusion of an non-financial performance critertia. Performance metrics are replicated under different incentive plans, raising concerns that executives are being rewarded twice for the same performance. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice.

Contract: D - Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. 'Good reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. The Compensation Committee has full discretion to accelerate the vesting of awards upon a change of control, which is a concern. The company does not have an appropriate clawback policy in place as it only allows for the recoupment of payment if in the event of misconduct by an officer.

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