

AGREEMENT

Made and entered into on _____ of the month of _____ 201__

BETWEEN: **Yeul Sahir Ltd.**
P.C.N. 512065194
(Hereinafter: “**the Company**” or “**the Employer**”)

of the one part;

AND: **Name:** _____

I.D Number: _____

(hereinafter: “**the Employee**”)

of the second part;

WHEREAS The Company provides a tax consultancy service for self-employed freelance professionals in return for a handling fee;

AND WHEREAS The Employee is a _____ by profession (hereinafter: “**the Work**”), who declares that he has all the requisite knowledge, experience, qualifications, permits and licenses, in accordance with the provisions of any law;

AND WHEREAS The Employee has chosen, out of his own free will, and after having considered the feasibility of the matter, to become an employee of the Company and to enter into agreements with third parties, via the Company, in relation to his Work on their behalf, with the overall aim of benefiting from the financial services of the Company;

AND WHEREAS The Company agrees to accede to the Employee’s request and to employ him as an employee of the Company, in the manner stipulated in this Agreement;

**WHEREFORE IT IS HEREBY AGREED AND CONDITIONED
BETWEEN THE PARTIES AS FOLLOWS:**

1. **Preamble**

- 1.1 The Preamble to this Agreement shall constitute an integral part thereof.
- 1.2 In this Agreement, any masculine term shall also include the feminine term and vice versa.

2. **Personal Agreement**

- 2.1 This Agreement constitutes a personal contract and therefore, save where stated to the contrary in this Agreement, the following shall apply:
 - 2.1.1 In respect of this Agreement and in respect of the Employee's employment as an employee of the Company, neither the Employee nor the Company shall be subject to the terms of any collective general or special work agreement or agreements, or any other agreement or convention or practice, which currently applies or which may apply in the future, as between the Company and its Employees.
 - 2.1.2 If at any time any judicial body shall determine that the Employee is entitled to any additional payment pursuant to a collective agreement or an extension order, the Employee shall be entitled to benefit from the provisions of the collective agreement or the extension order, but in such case the net salary of the Employee shall be reduced accordingly (retroactively from the date on which his employment commenced), and the Employee shall reimburse the Company for any payment paid to him beyond this amount.
 - 2.1.3 Save where the parties shall otherwise agree in writing, the Employee shall not be entitled to any payment and/or right and/or benefit which are not explicitly mentioned in this Agreement or in an express document and in writing, signed by the authorized signatories of the company (including, but without derogating from the generality of the foregoing: payments, various social entitlements, rights, additions, severance pay and/or benefits of any type).

3. **Definitions**

In this Agreement, the following terms shall assume the meaning stipulated alongside them, save where their content and context dictate otherwise:

“**Compensation for Services**” – Any sums actually paid to the Company by a third party with whom the Company has entered into a services agreement, which concerns the provision of services to that third party by the Employee.

“**Net Compensation for Services**” – The Compensation for Services less VAT, the Company’s Handling Fee and the Employee’s expenses, all in accordance with the provisions of this Agreement.

“**Salary**” – The Net Compensation for Services less convalescence pay, holiday pay, travel allowance, allocation for severance pay, allocation for directors’ insurance, professional study fund allocation, allocation for disability benefits insurance, the Employer’s share in any insurance and mandatory payments to State authorities and/or to any other third party, relating to the Employee, including to the National Insurance Institute, and any tax which devolves on and/or which shall devolve on an Employer vis-à-vis an employee by virtue of the provisions of any law.

“**Company’s Handling Fee**” – As defined in clause 13 below.

“**Employee’s Expenses**” – Expenses incurred by the Employee in respect of the provision of services to any third party within the framework of the Agreement, to which the Company is a party, subject to these being allowable under any law regarding generation of the Employee’s income; and subject to the issue of receipts and of tax invoices to the Company as required by law, together with a Form of Expenses.

“**Net Salary**” – The Salary less those payments which must be deducted by the Employer in respect of the Employee’s share in the insurance schemes and in the mandatory payments to any third parties, including the State authorities, such as income tax and the Employee’s share in payments to the National Insurance Institute.

4. **Duration of Agreement**

The Employee shall be employed by the Company commencing from the date on which this Agreement is signed (hereinafter: “**Commencement Date of the Employment**”) and until the termination of this contract in accordance with the provisions of this Agreement (hereinafter: “**the Agreement Term**”), and the parties commit themselves to a mutual undertaking of all their obligations during the Agreement Term.

5. **Declarations and Undertakings of Employee**

- 5.1 The Employee undertakes to carry on the Work with diligence, fidelity and professionalism.
- 5.2 The Employee declares that he has all the certificates and/or licenses and/or permits and/or consents required (if any) in order to carry on the Work and that he shall retain all the said certificates or licenses or permits or consents throughout the entire term of this Agreement.
- 5.3 The Employee affirms and undertakes that there is no restriction, either by agreement or otherwise, to his entering into this Agreement and/or his employment by the Company pursuant to the terms of this Agreement and that he is entitled to enter into this Agreement and to assume all the obligations thereunder.
- 5.4 The Employee undertakes to inform the Company of any sum received during his employment at the Company from any body and to ensure that such receipt is the result of his employment.
- 5.5 The Employee undertakes to update the Company in any event that the Company enters into an agreement with a close relative of the Employee for the purpose of providing services to that relative by the Employee, prior to the commencement of the provision of services by him, via the Company, to the said relative.

6. **The Work**

From the Commencement Date of the Employment, the Employee shall be employed in the position of _____. Within the framework of the Work, the Employee shall provide _____ services to third parties with whom the Company will enter into binding agreements, all subject both to the provisions of these agreements and the provisions of this Agreement.

For the avoidance of doubt, it is hereby clarified that the Company does not undertake to enter into such agreements and that the Employee is solely responsible for the execution of such agreements between the Company and third parties which concern the provision of services by it to third parties.

7. **Employee's Salary**

- 7.1 The Employee shall be entitled to the Net Salary, according to the definition of this term above.
- 7.2 The Employee's Salary is a capacity salary and as such shall be paid to him on the completion date of each particular project. In the course of performing each project, the Employee shall be paid advances as agreed between the parties.

- 7.3 The Employee affirms and agrees that, with the exception of the Net Salary and the ancillary conditions stipulated in clause 8 below, he shall not be entitled to any salary and/or addition and/or allowance and/or benefit and/or any other payment from the Company.
- 7.4 In consideration of the fact that the Employee is employed under this Agreement in a position which requires a special degree of personal confidence, and in which the conditions and circumstances of his employment render it impossible for the company to control his working hours, the provisions of the Hours of Work and Rest Law, 5711-1951 or any other law which amends this Law or which comes in place of this Law (hereinafter: “**the Rest Law**”), shall not apply to the Employee and his employment within the framework of the Company, and he shall not be entitled to any payments by virtue of the Rest Law. For the avoidance of doubt, it is hereby clarified that the Employee’s salary is constituted in such a manner that it already includes within it a component in respect of all payments to which the Employee would have been entitled had the provisions of the Rest Law applied in his case.

8. **Ancillary Conditions**

- 8.1 Reimbursement of Expenses: Expenses of the Employee, plus VAT in respect thereof, to the extent that this has been set off by the Company in the form of Input Tax, shall be returned to the Employee by separate check.
- 8.2 Annual Leave: The Employee is entitled to vacation days pursuant to the Annual Leave Law, 5711-1951.
- 8.3 Convalescence Pay: The Employee shall be entitled to convalescence pay according to law. The said convalescence pay shall be paid to the Employee by equal monthly installments.
- 8.4 Reserve Duty: The Employee undertakes to inform the Company immediately and in writing upon the receipt of a summons for active reserve duty service and to supply the Company with appropriate confirmation of the active reserve duty service for submission to the National Insurance Institute, in order to enable the Company to claim the amount owed to the Employee from the National Insurance Institute and to pay such amount to the Employee.
- 8.5 Director’s Insurance: During the term of this Agreement, the Company shall set aside from the Salary for director’s insurance at the _____ Insurance Company the following amounts, at the end of each tax year and/or at the end of the term of this Agreement, whichever is the earlier:
- 8.5.1 8.33% in respect of the component of severance pay.

8.5.2 5% in respect of the component of compensatory payments.

8.5.3 Up to 2.5% in respect of disability benefits.

In addition, the Company shall deduct 5% of the Salary in respect of the Employee's share and will transfer this amount to the policy.

The Company's allocations to the policy shall be in lieu of severance pay at the rate of 100% to which the Employee is entitled in respect of the Salary out of which the said payments have been made, all in accordance with the provisions of the General Permit Regarding Employers' Payments to Pension Fund and Insurance Fund in Lieu of Severance Pay (hereinafter: "**the Permit**") enacted by the Welfare and Labor Minister, the full Hebrew wording of which is attached herewith for the Employee's perusal as Appendix A to this Agreement.

For the avoidance of doubt, it is hereby clarified that the Employee's signature on this Agreement implies his consent in respect of the content of this clause.

The Company waives in advance any right that it might otherwise have had for reimbursement of funds out of its payments to the policy (save in those exceptional cases in which, according to the Permit, the Company would not have needed to release the funds allocated by it). In other words, the Employee shall be entitled to receive all the funds set aside by the Company as stipulated in this Agreement in the event of his terminating his employment at the Company.

The Company undertakes to endorse the policy in the name of the Employee in the event that the Employee's employment in the Company shall terminate.

- 8.6 Professional Study Fund: During the period of this Agreement, the Company shall allocate in respect of the _____ Professional Study Fund up to 7.5% of the Salary in respect of the Employer's share in the study fund and shall deduct from the Employee's salary up to 2.5% in respect of the Employee's share in the study fund, at the times coordinated between the parties and subject to the provisions of any law and subject to there being no change in the cost of the Employee's employment by the Company.

The professional study fund shall be managed in the Employee's name. For the avoidance of doubt, it is hereby clarified that the cost of the professional study fund shall be deducted from the Net Compensation for Services.

8.7 Additional Insurance – Should the Employee choose to join additional insurance schemes, the Company will agree to enter into appropriate agreements with the insurance companies, all at the Employee's expense, subject to the provisions of any law and provided that the cost to the Company of the Employee's employment shall not change.

8.8 The Employee is interested in a medicine/transplant insurance.

8.9 The Employee is interested in life insurance for the sum of _____

8.10 The Employee is interested in a saving plan for all purposes. _____

9. **Registration of Receipts**

9.1 The Company shall deposit with the Employee a receipts ledger of the Company.

9.2 The Employee shall be responsible for issuing a receipt in respect of any sum received by him due to the Company from any third parties and he shall transfer such sum to the Company immediately upon its receipt.

9.3 In registering the receipt, the Employee shall take care to note expressly all the necessary details and especially the service for which the sum was received and by whom the said service was rendered.

10. **Taxes, Mandatory Payments and Deductions**

The Company shall deduct from the Compensation for Services any tax and/or mandatory payment as required under any law, the Handling Fee as defined by clause 13 below and the amount equal to the sum of all the ancillary benefits which the Employee shall be entitled to receive from the Company, all as detailed in this Agreement and subject to the provisions of any law.

11. **Temporary Cessation of Work**

11.1 This Agreement shall be suspended at any time that the Employee shall have no job orders, for a temporary period of time, vis-à-vis third parties, within the framework of a binding agreement to which the Company is a party. Suspension shall mean the same as unpaid leave: i.e. the working relationship still exist, just that the Employer (the Company) and the Employee owe no mutual obligations to each another, save for the Employee's duty to continue to pay to the Company the Handling Fee and the Company's duty to preserve the Employee's rights in the various insurance schemes in return for payment by the Employee.

For the avoidance of doubt, it is hereby clarified that for the whole of that time, the Company shall have no obligation to make any payments whatsoever to any third parties, including the Israeli tax authorities, save as detailed in the above paragraph and in accordance with the provisions of any law.

It is hereby agreed that the content of clause 11.1 is subject to any changes agreed between the parties and subject to the Employee's agreement to bear all the costs stemming from the said change.

- 11.2 A temporary cessation of employment as stated in clause 11.1 for a period which exceeds three months shall be grounds for the immediate termination of this Agreement.

12. **Termination of Agreement**

- 12.1 Each party is entitled to bring this Agreement to an end by the provision of advance written notice according to law.
- 12.2 In addition to that stated in clause 12.1 above, this Agreement shall be terminated immediately in those circumstances in which the Company is entitled to dismiss the Employee without payment of severance pay, including circumstances in which the Employee has breached his duties of confidence vis-à-vis the Company.

13. **Handling Fee**

The Employee shall pay to the Company a monthly Handling Fee for the services provided to him by the Company amounting to the sum in Shekels equivalent to 7% of the Compensation for Services up to a maximum of 590 NIS as at the date of signing this Agreement, and any increase in such sum which shall be updated every three months, and, in addition, one-time registration fees amounting to the Shekel equivalent of 300 NIS, which shall be paid in _____ installments.

The Company commits itself not to change this price a year from now.

14. **Equipment**

- 14.1 If the Employee owns equipment used by him for the purpose of his occupation, the Company hereby agrees to purchase such equipment from the Employee prior to the commencement date of his employment, at the Employee's request. The cost of the acquisition shall be the depreciated cost of the equipment in the Employee's ledgers.

The said acquisition is conditional upon the provision of appropriate confirmation by the Employee of the fact that the equipment is wholly owned by him and that no third party whatsoever has any rights therein.

For the avoidance of doubt, it is hereby clarified that the Company shall not transfer to the Employee the actual purchase compensation, but shall register the purchase compensation in its ledgers as a loan given to it by the Employee.

- 14.2 Upon termination of the Employee's employment at the Company for any reason whatsoever, the Company shall sell back to the Employee the equipment at its depreciated cost price in the Company's ledgers. In such case, the compensation shall be paid to the Company by repayment of the loan extended to the Company by the Employee.
- 14.3 For the avoidance of doubt, it is hereby clarified that the aforesaid equipment shall be held by the Employee, for his use and for the purpose of guaranteeing repayment of the loan made by him to the Company as a deposited pledge and in the event of any lien and/or receivership of the Company and/or its assets, the Employee shall have the right of reservation and the right to realize the pledge on the said equipment up to the level of the amount of the loan placed at the Company's disposal by him.
- 14.4 It is hereby clarified that the provisions of clause 14 herein shall also apply *mutatis mutandis* to equipment which has been purchased by the Employee for the needs of his business after the commencement date of his employment.

15. **Professional Liability and Indemnity**

- 15.1 It is hereby clarified that the Company has no and shall have no professional liability insurance which covers the professional liability of the Employee.
- 15.2 The Employee undertakes to indemnify the Company and to pay it, within seven days of the date of its first demand, at any time and with no limitation as to the amount, any pecuniary sum, damages, loss, payment or expense caused to it (including court costs and legal fees), related to any request or claim, including a third party action, which may be issued and/or taken by any body whomsoever, including the Employee and any of his agents, against the Company and/or its employees and/or anyone else on its behalf on any matter concerning the Employee's employ at the Company. The Company will inform the Employee immediately in case of demand.

16. **Waiver or Precedent**

Where the Company has waived any right afforded to it under this Agreement, such waiver shall not constitute a precedent for any other case; no analogy shall be derived in respect of any other similar case; and the Company shall not be prevented from realizing at any future time any right waived by it in the above manner.

17. **Competition**

For the avoidance of doubt, it is hereby clarified that clients with whom the Company shall enter into service agreements which concern the provision of services by the Employee shall be considered as clients of the Employee and the Company shall not prevent the client and/or the Employee from working directly with one another at the end of the period of this Agreement for any reason whatsoever.

The Company hereby undertakes not to forge and/or to take any action with the aim of forging any direct link between it and any of the Employee's aforementioned clients, in the area of the Employee's business. For the avoidance of doubt, nothing in this clause prevents any of the Employee's clients entering into agreements with the Company where these are not initiated by the Company itself.

18. **Validity of Previous Agreements**

This Agreement contains all the contractual terms between the Employee and the Company, and any arrangements, representations, letters or understandings made during the course of any negotiations with the Employee prior to joining the Company, shall be null and void to the extent that these receive no detailed expression in this Agreement.

19. **Modification and Revocation**

Any modification and/or revocation of any of the clauses of this Agreement shall be valid only where made in a written document signed by both parties to this Agreement.

20. **Notices**

The parties' addresses for the purposes of this Agreement are as stated below. Any notice sent by registered mail to the other party at the said address shall be deemed to have been received by the addressee, three days after its delivery to the Post Office, and where delivered in person – at the time of delivery, all subject to the provision of appropriate proof (certificate of registered mail / certificate of personal delivery).

The Company Address: Hanevi'im 31, Jerusalem 95103.

The Employee Address: _____

E-Mail: _____

Phone Number: _____

Bank Account Details:

Bank name: _____ Branch number: _____

Bank account number: _____ Bank address: _____

Please attach a clear copy of your Identity Card

WHEREFORE, THE PARTIES HAVE HERETOFORE SET THEIR HANDS:

The Company: _____ The Employee: _____