

00126

Employment Agreement

Between:

Manpower Company Name: _____

Company Registration No. _____

Company Address: _____

By Legally Authorized Representative signing Agreement on behalf of Company:

Name: _____ Israeli I.D. No. _____

Position in Company: _____

(hereinafter referred to as "the Employer")

And:

Employee's Name: _____

Bulgarian ID No. _____

Passport Number: _____

Date of Birth: _____

Address: _____

(hereinafter referred to as "the Employee")

1. **Preamble:**

Whereas the Employer is legally licensed in Israel as a manpower company permitted to employ foreign construction workers to carry out construction work for receivers of work who are licensed building contractors;

And Whereas the Employee declares that he is healthy as well as physically and mentally fit for strenuous physical labour in the construction sector, including in conditions of heat and cold, as well as work at heights, and does not suffer from any diseases or conditions which would disqualify or prevent him from working competently and diligently in the construction sector.

And Whereas the Employee declares that he has training and/or experience and knowledge in the construction sector as set out below in this preamble as follows;

- a. The employee has completed a vocational training course in construction in an institution recognized by the Bulgarian Ministry of Labour (authenticated translated copy of certificate of completion of training attached as addendum A to this contract).
- b. The employee has worked for at least _____ years in construction in Bulgaria in the following vocational specialty: _____
(translated notarized copy of government work experience booklet attached as addendum B to this contract).
- c. The employee knows how to read and understand construction plans.

And Whereas the employer wishes to employ the employee as a construction worker by placing him with receivers of work who are licensed Israeli building contractors;

And Whereas the employee declares that he is ready and willing to carry out construction work for various receivers of work as will be requested by the employer, and to reasonably and diligently carry out and follow any instructions given to him by the authorized foreman or agent in the worksite and to carry out construction work for a minimum of 211 hours monthly;

And Whereas the employee has agreed to apply to the Israeli Embassy in Israel for a visa and work permit allowing him to enter Israel and to work in the construction sector as set out in this agreement;

It is therefore declared, stipulated and agreed between the parties as follows:

2. **Introduction:**

- a. The above preamble and the declarations it includes are an integral parts of the Agreement.
- b. The employee shall be employed by the employer in the position of construction worker.
- c. The employee agrees that the employer will be the sole employer of the employee for the duration of this Agreement.
- d. The employee declares that he will not carry out work for any other body in Israel during the duration of this Agreement as an employee or as an independent contractor, even on breaks from work or vacations or on rest days or holidays, and that he is aware that carrying out of such work is a breach of this agreement as well as of the conditions of his visa and work permit and may lead to deportation.
- e. Employment commencement date: the date of the arrival of the employee in Israel.
- f. Date of ending of employment: at the end of 12 months from the date of commencement of the employment, subject to the continued force of the employer license allowing him to employ foreign construction workers and the continued force of the visa and work permit issued to the employee by the Israeli authorities, allowing him to be employed in Israel.
- g. This Agreement may be extended by mutual consent of the parties for additional periods up to and not exceeding 3.5 years from the date of the employee's first entry into Israel, subject to the continued force of the employer license allowing him to employ foreign construction workers and the continued force of the visa and work permit issued to the employee by the Israeli authorities, allowing him to be employed in Israel. The parties declare that they have been informed that as per the relevant Israel government decisions, the work permit of the employee will not be extended

for a period exceeding 3.5 years from the date of entry of the employee into Israel.

- h. The first 90 days of employment after the arrival of the employee in Israel will be a trial period, during which the employer has the right to terminate this Agreement, subject to any preconditions set out in Law or in the Relevant Collective Agreement, if the employee is found to be unsuitable for the employment as per this agreement.
- i. In the case that the employer claims that the employee does not have reasonable vocational skills or experience for employment in the construction sector, in contradiction of the employee's declaration in the preamble to this agreement, the employee agrees to cooperate in vocational testing carried out by the relevant Israeli Authorities and if such authorities find that the employee lacks the necessary skills and experience for construction work as per this agreement, the employee agrees that the employer has the right to terminate this agreement and in such case the employee agrees to leave Israel at once at his own expense.
- j. The employee's rights and obligations will be in accordance with the laws of the State of Israel, including the National Collective Agreement for the Construction Sector signed on January 21, 2010 (hereinafter: **the 2010 agreement**), which was extended by an extension order on July 5, 2010, as well as the July 20, 2011 National Collective Agreement for the Construction Sector (hereinafter **the 2011 agreement**) which adds to and updates the instructions of the 2010 agreement (these agreements and updates will be referred to hereinafter together as the **Collective Agreements**).
- k. Any updates made to the Collective Agreements which affect any of the rights listed in this agreement, shall apply to the employee and the employer under this agreement.
- l. All definitions and terminology that appear in the **2010 agreement** apply to this agreement as well, unless otherwise specified.
- m. Concerning any matter not specifically set out in this agreement, the parties shall follow the relevant provisions of the **Collective Agreements**.

3. **Wages, salary updates, payment date, travel expenses and overtime compensation:**

- a. During the first year of employment, and in case of extension of this agreement as set out in 2 (e) above, throughout the first 3 years of employment, the employer shall pay the employee a base salary of no less than 5,000 NIS (five thousand New Israeli Shekels) per month, which is the first salary level as set out in the Collective Agreements for the regular work hours each month. This sum does not include the additional salary payments to be made by the employer to the employee for overtime work as set out in section 5 below.

- b. The employer shall pay the employee's salary on the last day of the month for which the salary is being paid, and no later than the ninth of the month after the month of work for which the employee is being paid (hereinafter – the following month). Salaries paid after the 9th of the following month will be considered late payment and the employer shall pay the employee late payment damages of 5% for the first week of delayed payment and 10% for each additional week of delayed payment.
- c. The employer may deduct the amounts listed in section 5 of this agreement hereinafter from the employee's salary in accordance with the conditions set in the aforementioned section, as long as all such deductions are listed in the employee's pay slip.
- d. In addition to the base salary quoted in section 3 (a) above, the employee shall be entitled to travel expense refunds from the employer if the employee uses public transportation to travel to or from his work place. The sum to be reimbursed to the employee by the employer is lower of either 23.70 shekels per day (or the updated sum in force) or the cost of an unlimited monthly bus-pass. Notwithstanding the above, if the employee must travel a distance of over 40 kilometers from his home to his workplace and the employer does not provide transportation, the employee shall be entitled to 150% of the rate stated above (23.70 shekels) as travel expenses, or to the actual amount spent on travel expenses, if so agreed with the employer in advance, according to receipts presented by the employee to the employer.
- e. The salary will be deposited monthly in a bank account to be opened by the employee in an Israeli Bank, and the employee will be free to transfer the deposited salary to Bulgaria as he desires.

4. The Work Week and the Work Day:

- a. The regular work hours of the employee are 182 work hours per month.
- b. In addition to the basic 182 hours as set out above, the employer agrees to pay the employee overtime work compensation for a minimum of 29 overtime work hours monthly, and the employee agrees that he is ready and willing to work a minimum of 29 monthly overtime hours. Overtime compensation shall be figured as set out in section 5 below, and shall be paid in addition to the base salary as set out in section 3 (a).
- c. The regular work week shall be comprised of 42 hours and either 5 or 6 days, as decided by the employer.
- d. The number of regular work hours per day (hereinafter – regular hours) shall be no more than nine hours in a five day work week and no more than eight hours in a six day work week. The number of work hours per day is defined by law.
- e. The employee shall be entitled to 36 consecutive rest hours per week. The employee and the employer agree that the employee's weekly period of rest

will include all day Saturday, unless otherwise agreed by the employer and the employee in writing.

5. Overtime Compensation

- a. The employee shall be entitled to payment for work in overtime hours at 125% of his regular hourly salary for the first two hours of work performed beyond regular work hours and 150% for each additional hour.
- b. Employment on the Employee's rest day is prohibited except in cases when general or specific permits for such work have been issued according to the Hours of Work and Rest Law, 1951. If the Employee works on the Employee's rest day, the Employee shall be entitled to receive a wage at a rate of 150% of his regular hourly rate for the regular work hours, at a rate of 175 % of his regular hourly rate for the first two overtime hours, and at a rate of 200% for any additional overtime hours.

6. Social Benefits

a. Recuperation Pay

1. The employee shall be entitled to recuperation pay after completing one year of employment.
2. The rate of the recuperation pay that the employer shall pay the employee shall be the updated rate as set by law for the private business sector, which is currently 365 NIS per day.
3. The amount of yearly recuperation pay shall be based on the employee's period of work in the construction sector in Israel as follows:
 - a. Six days annually for the first and second year of employment.
 - b. Eight days annually for the third and fourth year of employment.

b. Sick Leave Pay

1. During the first two years of employment in the construction sector in Israel, the employer shall pay for employee's sick leave pay according to the Sick Pay Law 5736-1976 as follows:
 - a. The employee is entitled to 18 sick days per year and has the right to accumulate up to 90 days.
 - b. Subject to written certification from a doctor that the employee must rest due to illness, the employee will be entitled to sick pay as follows: for the first day of absence due to illness, the employee will not be entitled to payment; for the second and the third day of absence due to illness, the employee shall be entitled to half of his daily salary; from the fourth day of absence due to illness onward, the employee shall receive his full daily salary.

2. After three years of employment in construction in Israel, the employee shall be entitled to 25 sick days per year, with the right to accumulate up to 161 days. The employee shall be entitled to payment for sick days as aforementioned once a physician confirms that the employee must rest from work due to illness.

c. Paid Holidays

1. The employee may be absent from work on his religious holidays. The employee is entitled to up to nine such days plus one additional day of his choice, for a total of ten annual days.
2. After three months of being employed in Israel by the employer, if the employee was not absent from work without the employer's consent on the day preceding or the day after the holiday, the employee shall be entitled to paid vacation on either his religious holidays or on the Jewish holidays (as defined in the 2010 agreement), totaling up to 9 holidays per year and an additional day of his choice.
3. Payment shall not be made for holidays that fall on the employee's weekly rest day.

d. Annual Leave

1. The employee shall be entitled to annual paid leave, on dates coordinated with the employer.
2. The duration of the employee's annual leave is determined by the period of employment in construction in Israel, as defined in the Collective Agreements as follows:
 - a. In the first and second year – the employee shall be entitled to 12 days per six-day work week and 10 days per five-day work week.
 - b. In the third year - the employee shall be entitled to 13 days per six-day work week and 11 days per five-day work week.
3. As a rule, annual leave shall be given during the last month of the work year for which it is given or during the following year, though the employee may use one vacation day during the year for which it is given, on a date which he chooses and an additional day which is one of the days listed in the appendix to the Annual Leave Law, 5711-1951, on the condition that the employee gives the employer thirty days notice before taking the additional chosen date of leave.
4. Leave may be accumulated in accordance with the Annual Leave Law, 5711-1951.

7. Suitable Living Accommodations

- a. The employer shall provide the employee with suitable living accommodations at the employer's expense throughout the entire employment period and for no less than seven days after the employment period has ended. The employer agrees that all living accommodations provided will fulfill the requirements set out in the Foreign Workers Regulations (Prohibition of Unlawful Employment and Assurance of Fair Conditions)(Suitable Living Accommodations), 5760-2000.
- b. The employer may deduct part of the cost of the employee's living accommodations from the employee's salary, without exceeding the amount set in the Foreign Workers Regulations (Prohibition of Unlawful Employment and Assurance of Fair Conditions)(Rate of Deduction from the Salary for Suitable Living Accommodations), 5760-2000 and as explained in section 8 of this agreement hereinafter.
- c. The employee agrees to take proper care of the accommodations provided by the employer as well as all their furnishings and equipment, and he agrees to use the accommodations, as well as the utilities such as electricity, water, gas, washing machine in a responsible matter and as reasonably necessary. The employee agrees to follow safety rules and to keep his accommodations clean, and, without derogating from the general nature of the above obligations, not to set up any additional or improvised gas or electric connections in the accommodations.
- d. The employee understands that the employer is a manpower company who will send him to work for various construction contractors in various worksites and that his lodgings may be reasonably changed by the employer according to the location of the worksite in which he is currently stationed. Without derogating from the general nature of the above obligations, the employee understands and agrees that his bed may be a bunk bed or a single bed as necessitated by the relevant lodging conditions. The parties agree that the employer may reasonably change the lodgings and the lodging conditions of the employee as long as the lodgings correspond to the conditions set out in subsection (b) above.

8. **Private Medical Insurance**

- a. The employer shall be responsible for providing private medical insurance to the employee at the employer's expense for the entire period of employment. The medical insurance must be given by a licensed insurance provider and must include all of the medical services listed in the Foreign Workers Regulations (Prohibition of Unlawful Employment and Assurance of Fair Conditions) (Health Services Package to Workers), 5761-2001. The employer will provide the employee with the relevant policy conditions and contact information in his language.
- b. The employer may deduct part of the cost of the employee's medical insurance from the employee's salary, without exceeding the amount set in the Foreign Workers Regulations (Prohibition of Unlawful Employment and Assurance of

Fair Conditions)(Rate of Deduction from the Salary for the Medical Insurance Fee), 5761-2001 and as explained in section 8 of this agreement hereinafter.

9. **Permitted Payroll Deductions**

a. The employer shall not make any deductions from employee's salary other than those required or permitted by Israeli law including as set out below:

1. Deductions for accommodation expenses:

a. If the employer does not own the accommodations that he provides to the employee, the employer may deduct the following sums (or the sums updated by law) from the employee's salary monthly, according to the employee's place of residence:

<u>Area</u>	<u>Maximum permitted deduction</u>
Jerusalem	368.33 NIS
Tel Aviv	419.13 NIS
Haifa/	279.46 NIS
Center	279.46 NIS
South	248.42 NIS
North	228.59 NIS

b. If the employer owns the accommodations, the employer may deduct only half of the sum indicated above (or the updated sum) from the employee's salary.

2. Deductions for additional expenses (electricity, water and property tax):

The employer may deduct the sum of 89.34 NIS (or the sum updated by law) from the employee's salary for the above additional expenses.

3. Deductions for medical insurance:

The employer may deduct the lower of either one third of the sum that was actually paid for medical insurance or the sum of 117.65 NIS (or the sum updated by law) from the employee's salary.

4. Employee's debts:

The employer may deduct from the employee's salary a specific debt of a fixed sum owed by the employee to the employer, on condition that the parties have agreed in writing to the deduction of the debt from the salary.

b. The total monthly deductions by the employer from the employee's salary as listed above may not exceed 25% of the employee's monthly salary, except in the last month of employment

c. Deduction for Income tax:
The employer shall deduct income tax payments from the employee's salary

according to the employee's personal status, and transfer these payments to the tax authorities.

- d. Deductions for Social Security Payments – The employer may deduct sums from the employee's salary for social security coverage according to the rules issued by the Israel Social Security Authority concerning Bulgarian workers, as per the Social Security Agreement between the two countries.
- e. Subject to enactment of regulations, deductions from employee salary set out by Israeli law for pension and continuing educations funds will also be transferred by the employer to PIBA for the employee as set out in 9 below.

10. **Pay Slip**

The employer shall provide the employee with a detailed pay slip no later than the ninth of the month following the day of payment. The pay slip shall list all components of the employee's salary as required by the Wage Protection Law, 5718-1958, including the deductions made from the employee's salary.

11. **Severance Pay and Retirement Fund Pay :**

Subject to the relevant updated PIBA procedures or to provisions of Regulations to be enacted, the employer shall transfer a monthly sum over and above the salary of the employee of at least 700 NIS to the the Population and Immigration Authority (hereinafter: PIBA) for the employee. The sums transferred shall be deducted from any payments which the employer is obliged to pay by law, including as set out in the Collective Agreements, for contributions to the employee's pension fund, continuing education fund or for severance pay. This monthly sum shall not be deducted from the employee's salary. The employee shall receive the accumulated sum, including interest accrued and less bank fees, upon legally and permanently exiting Israel, as requested by the employee and/or his employer from PIBA 30 days in advance of departure, either in cash at the airport after clearing passport control or via bank transfer to the employee's bank account abroad. Nonetheless, if the employee does not exit Israel at the end of his legal stay in the country, up to 20% of the sum will be deducted by PIBA for each month of illegal overstay in Israel by the employee, and after 6 months of illegal overstay the employee will forfeit the entire sum. Subject to enactment of regulations, deductions from employee salary for pension and continuing educations funds will also be transferred by the employer to the PIBA fund as set out above, and the above rules will apply.

12. **Dismissal and Resignation**

- a. If the employer intends to terminate the employment of the employee, he is required to hold an orderly hearing for the employee before deciding on dismissal, and the following provisions will apply:
 - 1. The employee shall receive the reasons for the intended termination of employment at least three days prior to the hearing. The employee may present his arguments or claims concerning these reasons at the hearing.

2. The decision to terminate the employment shall be made only after the hearing has been held.

b. Following the hearing, the employer shall give the employee written prior dismissal notice according to the length of the period of employment of the employee by the employer as follows:

During the first year of employment: no less than one day's notice for each of the first six months of employment of the employee by the employer and two days notice for each additional month of employment. After the first year – no less than one month's notice shall be given.

c. If the employee intends to resign, he must give written notice to the employer according to the periods set out in (b) according to the length of time he has been employed by the employer.

d. An employer or employee who does not give prior notification in writing of dismissal or resignation as aforementioned shall compensate the other party with advance notice pay equivalent to the regular salary that the employee would have received for the required period of advance notice that was not given.

e. The employee may change licensed employers 4 times per year, without agreement from the employer, on the following dates, after giving legal notice: January 1st, April 1st, July 1st, Oct. 1st. In case of the employee wishes to change employers at any time between the above dates – without employer agreement - due to claims of breach of his labour rights by the employer, the employee may contact the Ombudsman for Foreign Worker Labour Rights in the Ministry of Industry Trade and Labour as set out in section 12 below, and apply for permission for such.

13. **Ombudsman for Foreign Workers' Rights at Work**

An employee may file a complaint against his employer with the Ombudsman in Charge of Foreign Workers' Rights at Work at the Ministry of Industry, Trade and Labor. Current contact information for the Ombudsman is as follows: Ms. Iris Maayan, Adv., telephone numbers 03-7347230, 050-6240546 or fax number 03-7347269.

14. **General Provisions**

a. **Disputes:**

Disputes concerning this agreement or concerning the employment under this agreement shall be settled according to relevant Israeli law. The Israeli labour courts shall be the relevant courts of law in case of adjudication of disputes in court.

b. **Clothing:**

Once the employee has completed a six month period of employment with the employer, the employer shall provide the employee with a set of high-quality clothing including shoes, trousers, a shirt and a cap each year. In addition, if the employee's work requires protective clothing such as boots or hats for the employee's safety at work, the employer shall provide the required protective

garments at his own expense. The employee agrees to take good care of any equipment or tools provided by the employer and return them as required in good condition, less reasonable wear and tear.

c. Holiday gifts:

The employer shall give the employee a holiday gift twice yearly – on the Jewish New Year and on Passover.

15. **Safety and hygiene:**

a. The employee declares that he understands that the employment in the construction sector involves physical risks and he understands and agrees that he must obey all safety rules and directions in the workplace, including use of safety equipment, and he agrees and understands that he must take part in all safety training required by the employer.

b. The employer shall provide the employee with the following at the employer's expense:

1. Garments required for special work and protective gear.
2. Hygiene facilities including bathrooms, showers, sinks, dedicated eating areas and hot and cold water.
3. Regular medical checkups as required by an occupational physician
4. First-aid training courses

c. Without derogating from the above, the employee agrees that he will not drink alcoholic beverages or any other substances during the work day or before the work hours in a manner that would negatively affect his performance in the workplace and/or cause danger in the workplace. The employee declares that he has been informed that illegal drugs and violence are criminal offences in Israel as well as violations of this agreement.

d. The employee declares that he will respect the customs of Israel and will act in accordance with Israeli Law, including rules concerning safety at work.

e. The employee declares that he will obey all instructions given by defense personnel.

f. The employee declares that he will take diligent care of the work tools and will not use them negligently.

16. The employee hereby informs the employer that the following is his pertinent information and agrees to inform his employer promptly and in writing of any change in this information:

- a. Contact person in Bulgaria in case of emergency: name: _____
Bulgarian ID Number: _____ Relationship: _____
Telephone Number: _____ Address: _____

- b. In case of moneys owing after the employee has left Israel or in the case of incapacity or death, the employee hereby instructs that all moneys owing are to be deposited in the following bank account in Bulgaria, which is owned by the employee only, or jointly with a first degree family member:

Bank:

Address:

Account Number:

Name of Account:

Bank Number:

Swift Code:

17. The force of this agreement is conditional on the entry of the employee into Israel after receiving a B/1 visa and work permit for the construction sector, within 90 days of its signing by both parties. If the employee does not enter Israel within 90 days as aforesaid, either party may cancel the agreement and neither party will have the right to receive compensation or damages.

Signatures:

Authorised Employer Representative

Employee

Employer Signature Certification: I the undersigned, name of attorney/ certified accountant: _____ license number: _____ hereby certify that Mr./Ms. _____ Israel ID NO. _____ has been legally authorized by the Employer to sign this agreement on behalf of the Employer Name: _____ Registry Number _____ and has signed this Agreement before me today on the Employer's behalf.

Advocate/Account name: _____ Stamp: _____ Date: _____

Witness to Employee Signature: I the undersigned _____, Bulgarian ID _____ of the Bulgarian Employment Agency, hereby certify that the Employee, Mr. _____ Bulgarian ID NO. _____ signed this Agreement before me today after its conditions were explained to him and he agreed to its contents.

Clerk Name: _____ Clerk ID: _____