

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **April 16, 2013**

**ORAMED PHARMACEUTICALS INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**000-50298**

(Commission File Number)

**98-0376008**

(I.R.S. Employer Identification No.)

**Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem, Israel**

(Address of Principal Executive Offices)

**91390**

(Zip Code)

**+972-2-566-0001**

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.**

On April 7, 2013, the registrant's board of directors appointed Joshua Hexter, age 42, as Chief Operating Officer, effective April 14, 2013 (the "Effective Date").

Since 2007, Mr. Hexter was a Director or Executive Director in BioLineRx Ltd. (TASE: BLRX) ("BioLine"), a biopharmaceutical development company dedicated to identifying, in-licensing and developing innovative therapeutic candidates. Prior to his employment with BioLine, Mr. Hexter was a member of the board of directors and CEO of Biosensor Systems Design, Inc., a company developing market-driven biosensors. Mr. Hexter holds a bachelor's degree from the University of Wisconsin and a master's degree in management from Boston University.

Mr. Hexter will be employed pursuant to an employment agreement (the "Employment Agreement") with the registrant's wholly-owned Israeli subsidiary, Oramed Ltd. (the "Subsidiary"). Pursuant to the Employment Agreement, Mr. Hexter's monthly salary shall equal a gross monthly amount of NIS 38,500. The Subsidiary further agreed to grant, subject to the approval of the board of directors of the registrant, Mr. Hexter options to purchase 100,800 shares of the registrant's common stock at exercise prices per share equal to the market price of the registrant's common stock on the Effective Date, but not less than \$6.00 (without regard to vesting) per share.

A copy of the Employment Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. The description of the employment terms of Mr. Hexter is a summary only and is qualified in its entirety by reference to Exhibit 10.1.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits.

10.1 Employment Agreement, dated April 14, 2013, between Oramed Ltd. and Joshua Hexter.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ORAMED PHARMACEUTICALS INC.**

By: /s/ Nadav Kidron

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Nadav Kidron  
Chief Executive Officer

Date: April 16, 2013

**EMPLOYMENT AGREEMENT**

THIS AGREEMENT is made this 14th day of April, 2013 by and between **ORAMED Ltd.**, a company incorporated under the laws of the State of Israel, with an address at 2/5 High Tech Park, Givat Ram, Jerusalem, Israel 91390 (the "**Company**") and **Joshua Hexter** I.D. no. 317759470 an individual residing at, Alfasi 9, Jerusalem, Israel (the "**Executive**").

WHEREAS:

- A. The Company has agreed to engage the Executive to serve in the role of the Chief Operating Officer of the Company; and
- B. The Executive and the Company wish to formally record the terms and conditions upon which the Executive will be employed by the Company, and each of the Company and the Executive have agreed to the terms and conditions set forth in this Agreement, as evidenced by their execution hereof.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. **ENGAGEMENT**

- 1.1 **Engagement of Executive.** The Company hereby agrees to employ the Executive in accordance with the terms and provisions hereof.
- 1.2 **Term.** Unless terminated earlier in accordance with the provisions hereof, the term of employment under this Agreement shall commence on April 14, 2013 (the "**Effective Date**") and shall continue until terminated by either party as provided herein (the "**Term**").
- 1.3 **Service.**
- (a) Scope of service – from the Effective Date, the Executive shall perform his work on the basis of a full time position.
  - (b) Without derogating Article 2.1(b) below, it is hereby agreed that the working hours of the Executive shall be as required by the nature of the Executive's position in the Company, however no less than 9 hours per day. The Executive's regular weekly rest day is Saturday.
  - (c) The Executive agrees to faithfully, honestly and diligently serve the Company. The Executive undertakes to devote all his working time, efforts and the best of his qualifications and skills to promoting the business and affairs of the Company, and further undertakes to comply with the policies and working arrangements of the Company, to loyally and fully comply with the decisions of the Company, its management, to follow the Company procedures as established from time to time. The Executive agrees and undertakes to inform the Company's Chief Executive Officer (the "**CEO**") immediately after becoming aware of any matter that may in any way raise a conflict of interest between the Executive and the Company.
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- (d) The Executive undertakes to fulfill the responsibilities described in this Agreement and assist the Company, its affiliates, subsidiaries, related corporations and parent company now or hereafter existing (collectively, "Affiliates") and to make himself available to it, even after the termination of his employment relations with the Company, for any reason, in any matter which the Company may reasonably request his assistance, including for the purpose of providing any information relating to his work or actions taken by him and including in the framework of disputes (including legal or quasi-legal proceedings). If the Company requires the Executive's services after the termination of the employment relations with him, for any reason, it shall reimburse the Executive for his expenses in connection with performing the provisions of this Article 1.3(d). In addition, the Company will pay the Executive US\$200 plus VAT per hour of his time expended on providing any such services beyond the first 20 hours. For the avoidance of doubt, nothing in this Article 1.3 shall degrade from the Executive's obligation to continue observing all of his undertakings under this Agreement in their entirety, including, without limitation, his obligations of confidentiality and non-disclosure.

1.4 Duties. The Executive's services hereunder shall be provided on the basis of the following terms and conditions:

- (a) reporting to the CEO and the Company's and Parent's Board of Directors (the "**Board**"), the Executive shall serve as the Chief Operating Officer, of the Company;
- (b) the Executive shall be responsible for everyday operations in all aspects of the company, including: patent portfolio, production and supply, clinical trial, contracts and negotiations with different vendors, managing and overseeing the office, being part of the strategic and executive strategic planning and executing it, and being part of the PR and IR implementation, all subject to any applicable law and to instructions provided by the CEO from time to time;
- (c) the Executive shall faithfully, honestly and diligently serve the Company and the Parent and cooperate with the Company and the Parent and utilize his professional skill and care to ensure that all services rendered hereunder are to the satisfaction of the Company and the Parent, acting reasonably, and the Executive shall provide any other services not specifically mentioned herein, but which by reason of the Executive's capability the Executive knows or ought to know to be necessary to ensure that the best interests of the Company and the Parent are maintained;
- (d) the Executive shall assume, obey, implement and execute such duties, directions, responsibilities, procedures, policies and lawful orders as may be determined or given from time to time by the Board, and/or CEO; and

(e) the Executive shall report the results of his duties hereunder to the CEO and/or the Board as it may request from time to time.

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## **COMPENSATION**

2.1 **Salary.** For services rendered by the Executive during the Term, the Executive shall be paid a monthly salary, as follows:

- (a) the Executive shall be entitled to a gross monthly amount of NIS 38,500 (the "**Salary**").
- (b) The Executive's assignment is included among the positions of management or those requiring a special degree of personal trust, and the Company is not able to supervise the number of working hours of the Executive; therefore the provisions of the Israeli Hours of Work and Rest Law - 1951, will not apply to the Executive and he will not be entitled to any additional remuneration whatsoever for his work with the exception of that specifically set out in this Agreement.
- (c) Executive's Salary and other benefits shall be annually reviewed by the Board based on his and the Company's performance, all at the Board's sole and absolute discretion.

2.2 **Company Vehicle.** The Executive shall be entitled to the use of Mazda 3 or a similar vehicle, as shall be determined by the Company (the "**Car**"). The Company shall incur all reasonable expenses associated with use of the Car, including fuel expenses, maintenance, tolls, licensing, testing, registration, and insurance, however excluding personal traffic fines, payments to the tax authorities resulting from the use of the Car ("**Shovi Shimush**") and the like, and the Executive hereby authorizes the Company to deduct any such amount from any amount owing to him thereby, including from the Salary and the Salary minus any such deduction will be referred to as the Executive's Salary for all purpose (including social benefits and the parties' contributions). The use of the Car shall be in accordance with the provisions of the Company's car internal procedures, as may be amended from time to time by the Company and the Executive hereby authorizes the Company to deduct any amount needs to be deducted according to such internal procedures from any amount owing to him thereby, including from the Salary. The Employee shall bear any tax payments resulting from the aforesaid, to the extent applicable. The Car will be returned to the Company by the Employee immediately upon termination of Employee's employment by the Company, for any reason whatsoever. Should Executive chose to use a lower grade car than agreed, the difference in cost of leasing and insurance of the car will be added in full to Executive's Salary.

2.3 **Expenses.** The Executive will be reimbursed by the Company for pre-approved business expenses incurred by the Executive in connection with his duties, and in accordance with Company's policy.

- 2.4 Vacation; Sick Leave and Recreation Pay. The Executive shall be entitled to 22 working days paid vacation (the "**Annual Vacation**"). It is hereby expressed that the Executive must make every effort to exercise his Annual Vacation; however, if the Executive is unable to utilize all the vacation days, he shall be entitled to accumulate the unused balance of the vacation days standing to his credit up to a ceiling of double the number of his Annual Vacation (the "Ceiling"), provided that he takes at least seven consecutive annual working days vacation. If the Executive accumulate vacation days exceeding the Ceiling, the balance shall be deleted at the beginning of each calendar year. The Company may instruct the Executive to use his Annual Vacation, in the event that Company employees are sent by the Company on an organized vacation. In addition, Executive shall be entitled to sick leave, recuperation, holidays, recreation pay and any other benefits as mandated by applicable law. Treatment of the accrual of unused vacation time and other leave time shall be as provided by applicable law.
- 2.5 Additional Benefits. The Employee shall be entitled to the use of a Company paid mobile phone for business purposes, according to the Company's policies and instructions, as amended from time to time. In addition, the Employee shall be entitled to the use of a Company owned laptop computer, according to the Company's policies and instructions, as amended from time to time. Without derogating from the aforesaid, the Executive hereby undertakes not to make improper use of computer, computer devices, internet and/or e-mails, including (but not limited to) use of illegal software or the receipt and/or transfer of pornographic material, and/or any other material that is not connected with his work and may be harmful to the Company, other employees or any other third party. It is hereby clarified that for purposes of protecting its employees and property, the Company is entitled to conduct examinations and inspections every now and then in order to verify the fulfillment of the Executive's undertakings set forth herein. The Employee shall bear any tax payments resulting from the aforesaid, to the extent applicable.
- 2.6 Deductions. The Executive acknowledges that all payments by the Company in respect of the services provided by the Executive are gross and shall be subject to the deduction of any amount which the Company as an employer is required to deduct or withhold from the Salary or other payments to an executive in accordance with statutory requirements (including, without limitation, health insurance, income tax, employee contributions and unemployment insurance contributions).
- 2.7 Bonus. The appropriate organ of the Company shall consider granting the Executive a bonus for each then-outgoing calendar year and salary and compensation increases for each then-incoming calendar year in amounts to be determined by the Board of Directors at least once every calendar year, beginning year-end 2013/year-beginning 2014.

### 3. SOCIAL INSURANCE AND BENEFITS

#### 3.1 The Executive shall be entitled to Manager's Insurance as follows:

The Company shall make payments for the Executive's benefit to a manager's insurance policy (the "**Policy**"), which shall remain in the Company's possession and shall be managed on the Executive's name. The Company shall pay into the Policy an aggregate amount representing 13.33% of the then provided Salary as follows: 8.33% for severance compensation and 5% for pension compensation ("Tagmulim"). In addition, the Company shall deduct 5% of the Salary and transfer that amount to the Policy. Also, the Company shall contribute monies for disability insurance in accordance with the Company's accepted policies up to 2.5% of the Salary. Executive shall be entitled at his full discretion to change the Policy's insurance carrier.

All payments to the Policy will be made in compliance with Section 14 of the Severance Compensation Law, 1963, and in accordance with the *General Approval Regarding Employers' Payments to Pension Fund and Insurance Fund Instead of Severance Pay of the Labor Minister dated June 9, 1998*, promulgated under said Section 14, a copy of which is attached hereby as Exhibit A, and the terms of Section 14 and said general approval will apply to the relationship hereunder.

Therefore, the Executive hereby agrees and approves that Company's contributions, as referred to hereinabove and as detailed and defined in the general approval, shall come in lieu of his severance pay, and shall therefore constitute the full and final severance pay as stated above. The Company hereby waives any of its rights to refund of monies from the payments it has transferred according to the General Approval, unless Executive's right to severance pay is denied by virtue of a court order, under Sections 16 or 17 of the Severance Pay Law 5723-1963, and in the same amount which was denied, or the Executive had withdrawn monies from the Policy and/or the Pension Fund, not due to a Granting Event. The term "Granting Event" shall mean- death, disability or retirement at the age of sixty or more.

#### 3.2 Keren Hishtalmut. The Company and Executive shall open and maintain a Keren Hishtalmut Fund (the "**Fund**"). The Company shall contribute to the Fund an amount equal to 7.5% of the Salary, and Executive shall contribute to the Fund an amount equal to 2.5% of the Salary. Executive hereby instructs the Company to transfer to the Fund the amount of Executive's and the Company's contribution from each monthly Salary payment. For the avoidance of any doubt, in the event that the Executive shall accrue an aggregate total amount in the Fund exceeding the maximum total amount prescribed by the Income Tax Ordinance for tax benefit, such extra amount shall be deemed as revenue income.

#### 3.3 Effect of Termination. Upon termination of this Agreement by either party, other than in circumstances constituting Cause (as defined below), the Company shall assign and transfer to the Executive, after Executive has met all of Executive's obligations hereunder in connection with such termination of employment, the ownership in the Keren Hishtalmut Fund. Notwithstanding the above, in the event that this Agreement is terminated in circumstances constituting Cause, the Company, in its absolute discretion, may retain its payments to such funds and release to the Executive only those sums contributed by Executive to such funds.



3.4 Liability Insurance Indemnification. The Company shall provide the Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at the Company's expense.

Options. Subject to the sole discretion and determination of the Board of directors of Oramed Pharmaceutical Inc ("**Oramed**") and/or its compensation committee as applicable and to the terms and provisions of Oramed's 2008 Stock Incentive Plan ("**Plan**") , the Executive shall be granted an option ("**Option**") exercisable into 100,800 shares of Common Stock of the Company Oramed ("**Shares**"). The exercise or "strike" price of the Options shall be the market price as of the date of issuance of the Options but not less than \$6.00 (without regard to vesting), and the Options shall be qualified employee stock options under applicable law. The options shall vest in 35 consecutive equal installments during a 3-year period commencing on May 31, 2013, plus two installments of 1,400 each, that will vest on April 30, 2013 and April 14, 2016. The Options shall expire on April 14, 2023. The Employee undertakes to take all actions and to sign all documents required, at the discretion of the Company, in order to give effect to and enforce the above terms and conditions. Any tax liability in connection with the Options (including with respect to the grant, exercise, sale of the Options or the shares receivable upon their exercise) shall be borne solely by the Employee. Subject to the approval by Oramed's board of directors or compensation committee, as applicable, in the case of a substantial change in the holdings of the Company, i.e. buyout or dilution of more than 35% of issued shares or the sale or licensing of the Company's lead candidate drug, all Options shall be deemed to have fully vested and the Executive, in his discretion, may immediately exercise all his 100,800 Options immediately upon such event.

#### 4. CONFIDENTIALITY, INTELLECTUAL PROPERTY, COPYRIGHTS, PATENT AND NON COMPETITION

4.1 Maintenance of Confidential Information. The Executive acknowledges that in the course of employment hereunder the Executive will, either directly or indirectly, have access to and be entrusted with proprietary, non-public information (whether oral, written or by inspection) relating to the Company and its parent company, or its associates or customers (collectively for this Article 4 the "**Company**") (the "**Confidential Information**"). For the purposes of this Agreement, "**Confidential Information**" includes, without limitation, any and all **Developments** (as defined herein), trade secrets, inventions, innovations, techniques, processes, formulas, drawings, designs, products, systems, **creations**, improvements, documentation, **data**, specifications, technical reports, customer lists, supplier lists, distributor lists, distribution channels and methods, retailer lists, reseller lists, employee information, financial information, sales or marketing plans, competitive analysis reports and any other thing or information whatsoever, whether copyrightable or uncopyrightable or patentable or unpatentable. **The Executive acknowledges** that the Confidential Information constitutes a proprietary right, which the Company is entitled to protect. Accordingly the Executive covenants and agrees that during the Term and thereafter until such time as Confidential Information becomes publicly known and made generally available through no action or inaction of the Executive, the Executive will keep in strict confidence the Confidential Information and shall not, without prior written consent of the Company, disclose, use or otherwise disseminate the Confidential Information, directly or indirectly, to any third party.

The Executive undertakes not to directly or indirectly give and/or transfer, directly or indirectly, to any person or entity, any material and/or raw material and/or product and/or part of a product and/or model and/or document and/or diskette and/or other information storage media and/or photocopied and/or printed and/or duplicated object containing any or all of the Confidential Information.

The Executive undertakes not to make any use, including duplication, production, sale, transfer, imitation and distribution, of all or any of the Confidential Information, without the prior written consent of the Company.

The Executive will not use or disclose any confidential information or trade secrets, if any, of any former employer or any third party or any information in respect of which the Executive has confidentiality obligations, and the Executive will not bring onto the premises of the Company any such information, unless express written consent was provided by such former employer or third party.

4.2 Exceptions. The general prohibition contained in Section 4.1 against the unauthorized disclosure, use or dissemination of the Confidential Information shall not apply in respect of any Confidential Information that:

- (a) is available to the public generally in the form disclosed;
- (b) becomes part of the public domain through no fault of the Executive;
- (c) is already in the lawful possession of the Executive at the time of receipt of the Confidential Information, as can be proven by written documentation; or
- (d) is compelled by applicable law to be disclosed, provided that the Executive gives the Company prompt written notice of such requirement prior to such disclosure and provides assistance in obtaining an order protecting the Confidential Information from public disclosure.

4.3 **Intellectual Property, Copyright and Patents**

- 4.3.1 The Executive hereby acknowledges and agrees that the Company owns and shall own any and all Intellectual Property Rights created, made or discovered by the Executive or employee or personal that reports to Executive either: during the term of employment; and/or in connection therewith; and/or in connection with the Company, its business (actual and/or contemplated), products, technology and/or know how ("**Company IPR**"). **Intellectual Property Rights** means all worldwide (a) patents, patent applications and patent rights; (b) rights associated with works of authorship, including copyrights, copyrights applications, copyrights restrictions, mask work rights, mask work applications and mask work registrations; (c) rights relating to the protection of trade secrets and confidential information; (d) moral rights; (e) rights analogous to those set forth herein and any other proprietary rights relating to intangible property including ideas; and (f) divisions, continuations, renewals, reissues and extensions of the foregoing (as applicable) now existing or hereafter filed, issued, or acquired.
- 4.3.2 The Executive hereby assigns to the Company and/or its designee, all right, title and interest in and to Company IPR upon its creation. The Executive will assist the Company to obtain, and from time to time enforce, any Company IPR worldwide, including without limitation, executing, verifying and delivering such documents and performing such other acts as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Company IPR. Such obligation shall remain in effect beyond the termination of the Executive's relationship with the Company, all for no additional consideration provided that Executive shall not be required to bear any expenses as a result of such assignment. In the event the Company is unable for any reason, after reasonable effort, to secure Executive's signature on any document required, Executive hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as its agent and attorney in fact to act for and in its behalf to further the above purposes.
- 4.3.3 The Executive irrevocably confirms that the Salary is inclusive of any and all rights for compensation that may arise in connection with the Company IPR under applicable law, and the Executive hereby waives, releases and forever discharges any claims and/or demands whatsoever, whether in law, in equity or otherwise, in relation to the Company IPR, including without limitation any moral rights and rights to receive royalties in connection therewith and expressly waive any rights to receive royalties under the Israeli Patent Law- 1967 without limitation, Section 134 thereof or other applicable laws.

- 4.3.4 The Executive represents and warrants that upon execution hereof it has not created and does not have any right, title or interest in and to any Intellectual Property Rights related and/or similar to Company's business, products or Intellectual Property Rights, other than those set forth in Annex A1 hereto ("**Prior Inventions**"). The Executive undertakes not to incorporate any Prior Inventions in any Company IPR.
- 4.3.5 The Executive undertakes to immediately inform and deliver to the Company, written notice of any Company IPR conceived/invented by him and/or personal of the Company and/or its successors who are subordinate to him, immediately upon the discovery thereof.
- 4.3.6 The Executive's obligations pursuant to this Section shall survive the termination of his employment with the Company and/or its successors and assigns with respect to inventions conceived by him during the term of his employment or as a result of his employment with the Company.

4.4 **Non-Competition/Non solicitation**

- 4.4.1 Non-Competition. Executive agrees and undertakes that he will not, so long as he is employed by the Company and for a period of 6 months following the last date of actual service for whatever reason, directly or indirectly, as owner, partner, joint venture, stockholder, employee, broker, agent, principal, corporate officer, director, licensor or in any other capacity whatever engage in, become financially interested in, be employed by, or have any connection with any business or venture that directly competes with the Company's business, including any business which, when this Agreement terminates, the Company contemplates in good faith to be materially engaged in within six (6) months thereafter, provided that the Company has taken demonstrable actions to promote such engagement or that the Company's Board of Directors has adopted a resolution authorizing such actions prior to the date of termination; provided, however, that Executive may own securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time 5% of any class of stock or securities of such company, so long as he has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.

4.4.2 No Solicitation. Executive agrees and undertakes that during the period of his employment and for a period of 6 months following termination for any reason whatsoever, he will not, directly or indirectly, including personally or in any business in which he is an officer, director or shareholder, for any purpose or in any place, approach and/or solicit and/or recruit any employee, consultant, customer and/or supplier of the Company to leave his employ/disconnect his engagement with the Company. .

4.5 Fiduciary Obligation. The Executive declares that the Executive's relationship to the Company is that of fiduciary, and the Executive agrees to act towards the Company and otherwise behave as a fiduciary of the Company.

4.6 Remedies. The parties to this Agreement recognize that any violation or threatened violation by the Executive of any of the provisions contained in this Article 4 may result in immediate and irreparable damage to the Company and that the Company could not adequately be compensated for such damage by monetary award alone. Accordingly, the Executive agrees that in the event of any such violation or threatened violation, the Company shall, in addition to any other remedies available to the Company at law or in equity, be entitled as a matter of right to apply to such relief by way of restraining order, temporary or permanent injunction and to such other relief as any court of competent jurisdiction may deem just and proper. Nothing contained herein shall be construed to be a concession as to the appropriateness of any such application under the particular circumstances.

4.7 Reasonable Restrictions. The Executive agrees that all restrictions in this Article 4 are reasonable, in view of his position and the nature of the business in which the Company is engaged, the Executive's knowledge of the Company's business and the compensation he receives.

## 5. TERMINATION

5.1 Termination For Cause or Disability. This Agreement may be terminated at any time by the Company upon notice, for Cause or in the event of the Disability of Executive. For the purposes of this Agreement, "Cause" means that the Executive shall have:

- (a) committed an intentional act of fraud, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;
- (b) intentionally and wrongfully damaged property of the Company, or any of its respective affiliates, associates or customers;

- (c) intentionally or wrongfully disclosed any of the Confidential Information;
- (d) made material personal benefit at the expense of the Company without the prior written consent of the management of the Company;
- (e) accepted shares or options or any other gifts or benefits from a vendor without the prior written consent of the management of the Company;
- (f) fundamentally breached any of the Executive's material covenants contained in this Agreement, and did not cure the breach within a reasonable period (but in no event shall such period be less than 14 days) after being warned in writing by Company's CEO of possible termination for cause on account of such breach; or
- (g) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of the Company specifying in reasonable detail the alleged failure or refusal and did not cure the breach within a reasonable period (but in no event shall such period be less than 14 days) after being warned in writing by Company's CEO of possible termination on account of such insubordination.

For the purposes of this Agreement, an act or omission on the part of the Executive shall not be deemed "intentional," if it was due to an error in judgment or negligence, but shall be deemed "intentional" if done by the Executive not in good faith and without reasonable belief that the act or omission was in the best interests of the Company, or its respective affiliates, associates or customers.

For the purposes of this Agreement, "**Disability**" shall mean any physical or mental illness or injury as a result of which Executive remains absent from work for a period of six (6) successive months, or an aggregate of six (6) months in any twelve (12) month period. Disability shall occur upon the end of such six-month period. It is agreed that Disability will not be reason to exempt Company from Severance pay or any social benefits, or bonuses Executive is entitled to upon Termination.

Executive may terminate this employment without any prior notice and effective immediately in the event he was not paid his salary or his benefits, more than 45 days after such payment or benefit must be paid, or if his car or his mobile phone taken away from him without being replaced, for a period of more than 30 days, or if his responsibilities or title in the company were taken from him, for a period exceeding 60 days. Under such conditions Executive will be entitled to all social benefits related to termination including full Severance Pay and full release of funds under his Policy.

- 5.2 Termination Without Cause. Either the Executive or the Company may terminate the Executive's employment without Cause, for any reason whatsoever, with 30 days' prior written notice within the first 6 months of the Executive's engagement, and 60 days, prior written notice thereafter (said terms of 30 days and 60 days, respectively, shall be defined as the "Notice Period").

5.3 The Notice Period.

- (a) During the period following the notice of termination (the “**Notice Period**”), Executive shall cooperate with the Company and use his best efforts to assist the integration into the Company's organization of the person or persons who will assume Executive's responsibilities.

Nevertheless, the Company shall have the right not to take advantage of the full or part of the Notice Period. In the event of such termination, the Company shall pay the Executive his Salary his social benefits as described in Articles 3.1 and 3.2 as detailed in this Agreement for the remainder in lieu of the Notice Period.

It is hereby expressly stated that the Company reserves the right to terminate the Executive's employment at any time during the Notice Period, regardless of whether notice of termination of employment was delivered by the Company or whether such notice was delivered by the Executive. In the latter case such termination shall not constitute a dismissal of the Executive by the Company.

It is agreed that if Company needs Executive for any further assistance after the Notice Period it will pay Executive \$200 per hour of work plus VAT, beyond the first 20 hours of such work.

- (b) Notwithstanding the foregoing, the Company may terminate the Executive's employment with a delivery of written notice, without waiting the Notice Period in the event of termination under circumstances which deprive the Executive of severance pay under Israeli law, and/or a breach of trust. In such case, Company must pay the Executive his salary and other benefits for the Notice Period, and the Company must file a claim to the competent Labor court within 30 days of delivery of written notice of termination to the Executive. In a case of a judgment that ruled that Executive is not entitled even to his salary and benefits during the Notice Period, Executive must return all money and value of benefits he received to Company within 60 days this judgment becomes final and non- appealable.
- (c) In the event that the Executive terminates his employment with the Company, for any reason, without the delivery of a written notice in accordance with Section 6.2 above, or without the completion of the Notice Period or any part thereof, the Company will be entitled to deduct from any debt which it may owe the Executive an amount equal to the salary that would have been paid to the Executive during the Notice Period, had he worked; this deduction shall be without derogation of any of the Executive's rights or the Company's obligations.

- 5.4 Limitation of Damages. It is agreed that in the event of termination of employment, neither the Company, nor the Executive shall be entitled to any notice, or payment in excess of that specified in this Article 5, unless a Labor court rules that the Termination or Termination Process was not lawful or was not effective.
- 5.5 Return of Materials. Within three days of any termination of employment hereunder, or upon any request by the Company at any time, the Executive will return or cause to be returned any and all Confidential Information and other assets of the Company (including all originals and copies thereof), which “assets” include, without limitation, car, cell phone, hardware, software, keys, security cards and backup tapes that were provided to the Executive either for the purpose of performing the employment services hereunder or for any other reason. The Executive acknowledges that the Confidential Information and the assets are proprietary to the Company, and the Executive agrees to return them to the Company in the same condition as the Executive received such Confidential Information and assets.
- 5.6 Effect of Termination. Articles 4 hereto and hereto shall remain in full force and effect after termination of this Agreement, for any reason whatsoever but without derogation of any rights of the Executive under applicable law, including without limitation, to unpaid salary, benefits, options, vacation time, etc., throughout the date of termination and the Notice Period.

6. **MUTUAL REPRESENTATIONS**

- 6.1 Each party hereto represents and warrants to the other that the execution and delivery of this Agreement and the fulfillment of the terms hereof (i) will not constitute a default under or conflict with any agreement or other instrument to which he/it is a party or by which he/it is bound, and (ii) do not require the consent of any person or entity, or that to the extent such consent is required, it has been obtained.
- 6.2 The Company represents and warrants to Executive that this Agreement is subject to the approval of the compensation committee and all the applicable approvals according to applicable law.
- 6.3 Each party hereto warrants and represents to the other that this Agreement constitutes the valid and binding obligation of such party enforceable against such party in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless if enforcement is sought in proceeding in equity or at law).



7. **NOTICES**

7.1 **Notices.** All notices required or allowed to be given under this Agreement shall be made either personally by delivery to or by facsimile transmission to the address as hereinafter set forth or to such other address as may be designated from time to time by such party in writing:

(a) in the case of the Company, to:

**Oramed Ltd.**  
2/5 High Tech Park  
PO Box 39098  
Givat Ram, Jerusalem  
Israel 91390  
Fax: 972 2 5660004

(b) and in the case of the Executive, to the Executive's last residence address known to the Company.

7.2 **Change of Address.** Any party may, from time to time, change its address for service hereunder by written notice to the other party in the manner aforesaid.

8. **GENERAL**

8.1 **Entire Agreement.** As of from the date hereof, any and all previous agreements, written or oral between the parties hereto or on their behalf relating to the employment of the Executive by the Company are null and void. The parties hereto agree that they have expressed herein their entire understanding and agreement concerning the subject matter of this Agreement and it is expressly agreed that no implied covenant, condition, term or reservation or prior representation or warranty shall be read into this Agreement relating to or concerning the subject matter hereof or any matter or operation provided for herein.

8.2 **Personal Agreement.** The provisions of this Agreement are in lieu of the provisions of any collective bargaining agreement, and therefore, no collective bargaining agreement shall apply with respect to the relationship between the parties hereto (subject to the applicable provisions of law).

8.3 **Further Assurances.** Each party hereto will promptly and duly execute and deliver to the other party such further documents and assurances and take such further action as such other party may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created hereby.

8.4 **Waiver.** No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent excusing the breach is made in writing and signed by the party to be charged with such waiver or consent. A waiver by a party of any provision of this Agreement shall not be construed as a waiver of a further breach of the same provision.

- 8.5 Amendments in Writing. No amendment, modification or rescission of this Agreement shall be effective unless set forth in writing and signed by the parties hereto.
- 8.6 Severability. In the event that any provision contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, such provision shall be deemed not to affect or impair the validity or enforceability of any other provision of this Agreement, which shall continue to have full force and effect.
- 8.7 Headings. The headings in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 8.8 Number and Gender. Wherever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural or feminine or a body politic or corporate and vice versa where the context so requires.
- 8.9 Governing Law. This Agreement shall be exclusively construed and interpreted in accordance with the laws of the state of Israel applicable therein, and each of the parties hereto expressly agrees to the jurisdiction of the courts of the state of Israel. The sole and exclusive place of jurisdiction in any matter arising out of or in connection with this Agreement shall be the applicable Jerusalem court.
- 8.10 Enurement. This Agreement is intended to bind and enure to the benefit of the Company, its successors and assigns, and the Executive and the personal legal representatives of the Executive.

This Agreement constitutes due notification in accordance with the Notice to Employee Law (Employment Terms), 2002 and the regulations promulgated thereunder.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date and year first above written.

**ORAMED Ltd.**

Per: /s/ Nadav Kidron

Name: Nadav Kidron

Title: Chief Executive Officer

/s/ Joshua Hexter

Joshua Hexter

**Exhibit A (English Translation)**

**General Confirmation Regarding Employers' Payments to Pension Funds and Insurance Funds Instead of Severance Pay**

By my power under section 14 of the Severance Pay Law, 5723-1963 (hereinafter - the **Law**), I hereby confirm that payments made by an employer from the date of publication of this confirmation, for an employee's comprehensive pension, to a provident fund for pension which is not an insurance fund, as defined in the Income Tax Regulations (Rules for Approval and Management of Provident Funds), 5724-1964 (hereinafter - **pension fund**), or for an executive insurance policy that includes the possibility of a pension or a combination of payments for a pension plan and for a non-pension plan in an insurance fund as stated (hereinafter - **insurance fund**), including payments which the employer made by a combination of payments to a pension fund and to an insurance fund, whether the insurance fund includes a pension plan or not (hereinafter - **employer payments**), will replace the severance pay to which the employee is entitled for the salary on which said payments were made and the period for which they were made (hereinafter - **exempt salary**), if the following conditions are satisfied:

- (1) Employer payments -
  - (A) To a pension fund - are not less than 14 1/3% of the exempt salary, or 12% of the exempt salary if the employer makes additional payments on behalf of his employee for severance pay supplementation to a provident fund for pension or to an insurance fund at the rate of 2 1.3% of the exempt salary. If an employer does not pay beyond the 12% an additional 2 1/3% as stated, then his payments will come instead of only 72% of the employee's severance pay.
  - (B) To an insurance fund – are not less than one of the following:
    - (1) 13 1/3% of the exempt salary, if the employer makes additional payments on behalf of the employee to assure his monthly income in case of work disability, in a plan approved by the Capital Market, Insurance and Savings Commissioner in the Finance Ministry, at the lower of the rate required to assure 75% of the exempt salary or 2 1/2% of the exempt salary (hereinafter - **work disability payment**).
    - (2) 11% of the exempt salary, if the employer makes an additional work disability payment, and in such case the employer payments will come instead of only 72% of the employee's severance pay. If in addition to the above the employer pays 2 1/3% of the exempt salary for severance pay supplementation to a provident fund for pension or to an insurance fund in the name of the employee, the employer payments will come instead of 100% of the employee's severance pay.
- (2) A written agreement was made between the employer and the employee no later than three months after the commencement of the employer payments that includes -
  - (A) The agreement of the employee to the arrangement pursuant to this confirmation, which details the employer payments as well as the pension fund or the insurance fund, as the case may be. Said agreement must include the text of this confirmation.
  - (B) The employer's prior waiver of any right he could have to reimbursement of any amount of his payments, unless the employee's right to severance pay is denied by judgment under sections 16 or 17 of the Law, and to the extent it is so denied, and in case the employee withdrew monies from the pension fund or the insurance fund other than for an entitling event. In this regard, entitling event means death, disability or retirement at the age of 60 or over.
- (3) This confirmation does not derogate from the employee's right to severance pay under the Law, a collective agreement, an extension order or an employment contract, for any salary above the exempt salary.

(stamp)

**The Company**

(stamp)

**The Employee**