One-Month Termination Notice Limit Is Unenforceable

Still another contract clause purporting to limit an employee terminated without cause to notice required by the jurisdiction's employment standards law, in this case the *Canada Labour Code*, has failed in court. This case involved a senior VP of a shipping company who was terminated without cause during a corporate restructuring. His contract gave the employer the right to terminate without reason "without giving any notice during the probationary period and one month's notice on confirmation." The Ontario court found the clause unenforceable because under the CLC, there was a possibility that the VP might have been entitled to notice of more than one month. While that wasn't the case in this situation, the mere existence of this possibility of stripping the VP of his full CLC notice entitlement rendered the clause invalid. And since the clause didn't apply, the court awarded him $33,000 in damages [*Sanghvi v. Norvic Shipping North America*, 2020 ONSC 8068 (CanLII), December 23, 2020].