

CANADIAN EMPLOYMENT TERMINATION LIMITATION

THIS ENDORSEMENT CHANGES THE EMPLOYMENT PRACTICES COVERAGE SECTION. PLEASE READ IT CAREFULLY.

COVERAGE SECTION SPECIFIC EMPLOYMENT TERMINATION LIMITATION

The Underwriter will pay, on behalf of the **Insured**, **Loss** from any **Claim** for termination, dismissal or discharge of employment, first made against the **Insured** during the **Policy Period** or applicable **Extended Reporting Period** and brought solely in Canada and pursuant to any applicable statute, civil or common law governing employment relationships in Canada, provided that:

(A) WITHOUT CAUSE TERMINATION

as a condition precedent to the payment of **Loss** arising out of a **Claim** for a without cause termination, dismissal or discharge of employment by the **Insured**, the **Insured** shall ensure that the termination pay or severance pay amounts offered are established using best efforts under any applicable statutory, civil or common law legislation governing notice and compensation in lieu of notice.

(B) WITH CAUSE TERMINATION

as a condition precedent to the payment of **Loss** arising out of a **Claim** for a with cause termination, dismissal or discharge of employment by the **Insured**, the **Insured** must obtain a written opinion from an independent legal counsel, prior to such with cause termination, dismissal or discharge of employment, confirming:

- (1) that the grounds for such with cause termination, dismissal or discharge of employment are fair and sufficient; and
- (2) that such with cause termination, dismissal or discharge of employment is in accordance with any applicable statutory, civil or common law legislation governing notice and compensation in lieu of notice.

This condition precedent does not apply to any **Defence Expenses** amounts arising out of any **Claim** for with cause termination, dismissal or discharge of employment by the **Insured**.

All other terms, conditions and limitations of this Policy shall remain unchanged.