

**PACIFIC LIFE GROUP ANNUITY CONTRACT**

This Cash Supplement (this “Cash Supplement”) to the Health Savings Account Custodial Agreement (the “Agreement”) establishes the instructions and procedures by which Custodian will place the funds allocated to Member’s (or “your”) Cash Account (as defined below). This Cash Supplement should be read in conjunction with the Health Savings Account Custodial Agreement (the “Custodial Agreement”) between you and HealthEquity, Inc., as custodian (“Custodian”), a copy of which is available in the Forms and Documents section of your Member Portal and which agreement is incorporated herein by reference. Capitalized terms used in this Cash Supplement, but not defined herein, have the meanings set forth in the Agreement.

The following instructions are standing instructions that supersede all prior instructions with regard to allocation of the Cash Account and will remain in effect from the time of your election/acceptance until rescinded or superseded by new written instructions that are documented and agreed upon by Member and Custodian pursuant to the provisions herein. Please review this Supplement carefully. Participation in the cash program described in this Supplement is voluntary and is based on your election to allocate your Cash Account to the Contract described below.

**Custodian does not make any recommendation with respect to your Cash Account and has not advised you with respect to the decision to use the cash program described in this Supplement. You should not rely on any communication from Custodian in making your decision.** If at any time you do not wish to participate in the cash program described in this Supplement, you may elect an alternative asset deployment option (you may view available options by logging into Custodian’s online portal and navigating to the interest rates page and you may contact HealthEquity Member Services for additional information) and you retain the right to transfer your Account to another custodian of your choice.

**1 - Overview.** Your Account with Custodian includes a Cash Account for the maintenance of balances that you have not directed to an investment or other asset deployment option made available by Custodian (the balance of the Cash Account being the “Cash Balance”). Credits to the Account, including amounts contributed to or received in the Account and cash proceeds of investment sales directed by you or made on your behalf, are held in the Cash Account until you direct a transfer to an investment or other asset deployment option made available by Custodian. Distributions from the Account and allocations specifically directed by you to other asset deployment options made available by Custodian are debited from the Cash Account.

By electing to allocate your Cash Balance to the Contract described in this Supplement, you acknowledge that you have read the Agreement and this Supplement and that you have instructed Custodian to administer your Cash Account in accordance with them. While Custodian may change the Agreement and this Supplement at any time, no change that is more than ministerial will take effect without first giving you at least 30 days’ advance notice, describing the change and, if applicable, the potential effect on Net Interest and Program Fee (as such terms are defined below). If you do not wish to consent to any such change you may transfer your Cash Balance to another option available for your HSA or you may terminate the Agreement and move your HSA to another custodian, each without penalty.

Neither this Supplement, nor the Agreement, nor any other communication from Custodian, is intended to be legal, tax or financial advice. You may wish to consult a professional advisor.

**2 - Cash Account.** The Cash Balance (including both the balance, if any, as of the date you agree to this Supplement and future contributions) will automatically be allocated to an interest-bearing group annuity contract (the “Contract”) issued by Pacific Life Insurance Company (“Pacific Life”) to Custodian for the benefit of certain Members (the “Participating Members”). See “The Contract” below.

Custodian holds the Contract for the benefit of you and other Participating Members. The value of the Participating Members’ beneficial interests under the Contract will equal the aggregate amount paid into the Contract plus interest credited (and less the amounts withdrawn). Each Participating Member’s Account has a beneficial interest in the Contract as recorded in Custodian’s books and records. See “Relationship between Participating Members, Custodian and Pacific Life” below.

**3 - Net Interest.** Interest will be credited under the Contract at the interest rates declared on the Contract by Pacific Life. (See “The Contract” below.) A Program Fee (see “Compensation to Custodian” below) is deducted as a withdrawal from the Contract. Following withdrawal of the Program Fee, your Cash Account will be credited with interest (“Net Interest”) at a rate equal to the greater of (a) 0.05% or (b) the rate set forth on the table below (the “Net Interest Rate Table”), in each case not to exceed the interest credited under the Contract. The “Median Minimum Market Rate” is the median interest rate paid by the top five HSA providers (excluding Custodian) on lowest tier of HSA cash held in federally insured deposit accounts; such top five HSA providers is determined based upon HSA assets under custody as conclusively set forth in the annual Devenir Research Year-End HSA Market Statistics & Trends report (the “Annual Market Survey”) or, if not published, such other third-party HSA market report selected by Custodian.

*Interest Rate Table*

Balance Tier*	Average Daily Cash Balance	Interest Rate Calculation
Tier 1	First \$2,000 (\$0.01 - \$2,000.00)	2 x Median Minimum Market Rate
Tier 2	Next \$5,500 (\$2,000.01 - \$7,500.00)	2 x (Median Minimum Market Rate + 0.05%)
Tier 3	Next \$2,500 (\$7,500.01 - \$10,000.00)	2 x (Median Minimum Market Rate + 0.15%)
Tier 4	Amounts over \$10,000.000	2 x (Median Minimum Market Rate + 0.35%)

\* Interest is paid on the average daily Cash Balance for the portion of the average daily balance that is within each tier.

The Net Interest will be accrued and credited by Custodian as an annual percentage rate based on the average daily balance of your Cash Account, taking into account the effect of interest compounding. Net Interest will accrue only for the period during which your Cash Balance is invested in the Contract, and will be credited monthly. If any interest is credited to your Cash Account for a period in which your Cash Balance is not invested in the Contract (“excess interest”), your Cash Balance will be adjusted to the correct amount by deducting such excess interest.

Pacific Life may change the current declared interest rate under the Contract, as described in “The Contract” below; however, the interest rate declared under the Contract will never be less than an effective annual rate of 50 basis points (0.5%) and the rate for Net Interest credited to your Cash Account will always be determined by the formula described above.

The interest rate declared for the Contract may be higher or lower than the interest rates for other annuity contracts issued by Pacific Life. Net Interest rate for your Cash Account may be higher or lower than the interest rates available to depositors of depository institutions in comparable accounts or to Members with other asset deployment options available in other products administered or held by Custodian.

Changes to the Net Interest rate shall be effective on the first day of the first month that starts at least three Business Days after publication of any new rate that changes the Median Minimum Market Rate or publication of the Annual Market Survey, as applicable, without notice to Member. Current Net Interest rates (determined in accordance with the Net Interest Rate Table) may be found by logging into your account at HealthEquity.com or by contacting HealthEquity Member Services. The Net Interest Rate Table may be modified only by an amendment to this Supplement with advance notice to Member, as described in “Amendment of this Supplement” below.

**4 - NO FEDERAL INSURANCE. YOUR CASH ACCOUNT AND THE CONTRACT WILL NOT BE FEDERALLY INSURED (E.G., BY THE FDIC). THE CONTRACT IS SUBJECT TO THE CREDIT RISK OF PACIFIC LIFE AND MAY RESULT IN A LOSS OF THE PRINCIPAL AND ACCRUED INTEREST IN YOUR CASH ACCOUNT.**

- Not a deposit / not eligible for FDIC or NCUA insurance
- Not insured by any federal agency
- Not guaranteed by HealthEquity
- May go down in value

**Pacific Life is an insurance company organized under the laws of Nebraska and regulated by the Nebraska Department of Insurance. Nevertheless, no assurance can be given that Pacific Life will not encounter financial difficulties that make it unable to honor its obligations to its policyholders. In such event you may lose all or some of the principal and accrued interest in your HSA. Custodian shall have no liability for any loss of principal or interest. Before agreeing to this Supplement, please remember the Contract is not insured by the FDIC, NCUA, or any other Federal government agency. All guarantees under the Contract are supported by Pacific Life's general account.**

**The Contract has not been registered under any securities law in reliance upon the exemption for insurance and annuity contracts under Section 3(a)(8) of the Securities Act of 1933 (the "1933 Act") and similar state securities laws, nor has any Cash Account been registered as a security under the 1933 Act or similar state securities laws or as an investment company under the Investment Company Act of 1940. However, no assurance can be given that registration is not required under such laws. The Contract is an unregistered group annuity contract which is issued by, and any guarantees are subject to the claims-paying ability of, Pacific Life Insurance Company, Newport Beach, CA. Custodian is not a bank or registered investment adviser under the Investment Advisers Act of 1940 and is giving no investment advice to Members in respect of their HSAs or the Contract. Members should consult with their own advisors for investment advice.**

**5 - The Contract.** The aggregate amounts transferred to or contributed by Participating Members to their Cash Accounts (net of withdrawals) are paid into the Contract. The Contract is a group annuity contract issued by Pacific Life and subject to applicable Utah insurance law and regulation, and is backed by the general account of Pacific Life. Pacific Life is an insurance company organized under the laws of Nebraska and regulated by the Nebraska Department of Insurance. For more information on Pacific Life, go to [www.pacificlife.com](http://www.pacificlife.com).

Custodian has responsibility for administering the Cash Accounts and the beneficial interests of the Participating Members under the Contract as provided in this Supplement. See "Administration of the Cash Accounts and the Contract" below.

The following is a summary of key terms and conditions of the Contract. A redacted specimen copy of the Contract is available at [https://resources.healthequity.com/Forms/Agreements/GroupAnnuityContract\\_PacificLife.pdf](https://resources.healthequity.com/Forms/Agreements/GroupAnnuityContract_PacificLife.pdf).

**5.01 - Net Contributions.** The aggregate amount of daily contributions less withdrawals by Participating Members to their Cash Accounts are paid into the Contract. If daily withdrawals by Participating Members exceeds daily contributions, the net amount is withdrawn from the Contract.

**5.02 - Declared Rates.** Pacific Life credits interest to the contract value at a rate which it declares from time to time and which it guarantees will never be less than an annual effective rate of fifty basis points (0.5%). Pacific Life has established an initial annual declared rate of 1.97% per annum. The declared rate is subject to annual adjustment (with a "year" running 12 months from the effective date of the Contract). An additional crediting rate may be declared mid-year if daily contributions into the Contract exceed the greater of \$100 million or 10% of the prior day's contract value; the additional declared rate would apply only with respect to new contributions that are paid into the Contract after the additional crediting rate is declared through the remainder of the year. The annual declared rate and any additional declared rates are not the effective Net Interest rate. The annual Net Interest rate is determined pursuant to the formula and Net Interest Rate Table described above in "Net Interest."

Any subsequent declared rate may be lower or higher than the initial declared rate or any subsequent declared rate, but it will never be less than an annual rate of fifty basis points (0.5%). There is no assurance that the annual declared rate will exceed fifty basis points (0.5%) after the initial declared rate no longer is in effect.

**5.03 - Withdrawals.** The Contract allows withdrawals by Custodian on behalf of Participating Members at any time in such amounts as are necessary to fund Participating Members' withdrawals from their Cash Accounts (for example, to pay qualified medical expenses or transfer to another asset allocation option) and withdrawals for the Program Fee. Amounts withdrawn by Participating Members from their Cash Accounts reduce the value of Participating Members' beneficial interests in the Contract. There are no surrender charges or other withdrawal penalties applicable to the Participating Members for withdrawal of cash from the Contract.

**5.04 - Termination.** Pacific Life may limit or restrict new payments into the Contract by providing at least 240 days' prior written notice to Custodian. Custodian may terminate the Contract at any time, and Pacific Life may terminate the Contract at any time on or after the 10<sup>th</sup> anniversary of the Contract's effective date or at such other time as

mutually agreed by Custodian and Pacific Life. In the event of a restriction on new payments or termination, Custodian will promptly notify Participating Members of the pending change and shall take steps to provide for an alternative cash placement option for Members' HSAs as described in "Master Services Agreement: Termination Procedure" below. The Contract includes a process for winding down over a period following termination. At all times, the Participating Members have the right to take withdrawals from their Cash Accounts on a daily basis.

**6 - Relationship among Members, Custodian and Pacific Life.** Custodian is the nondiscretionary custodian of your Account, and has been directed by you under this Supplement to pay the Cash Balance into the Contract. At all times, you control the allocation and investment of your HSA. Neither Custodian nor Pacific Life has any authority to determine or control the allocation between the Cash Account and the other asset allocations options available to your Account, subject to any minimum balance requirement established by Custodian from time to time.

Custodian administers the Cash Accounts and the beneficial interests of the Participating Members under the Contract. See "Administration of the Cash Accounts and the Contract" below.

Custodian does not (and will not) have any interest in the Contract, beneficial or otherwise, nor does Custodian exercise any discretion in applying funds to the Contract. Custodian holds the Contract for the benefit of the Participating Members. The Contract is not considered an asset of Custodian. The Contract is a contract between Pacific Life and Custodian on behalf of the Participating Members. Participating Members have no recourse against Custodian for any breach or default by Pacific Life under the Contract.

Each Participating Member that maintains a HSA with a Cash Balance has a proportionate beneficial interest in the Contract. Under the Contract, Pacific Life has a contractual obligation to pay 100% of amounts paid into the Contract and interest. The full account value of the Contract is available to such Participating Members' HSAs.

Beneficial interests in the Contract held in Participating Members' Cash Accounts is evidenced by records maintained by Custodian. No other evidence of ownership, such as a passbook or certificate, is issued to Participating Members.

Custodian will notify Participating Members in the event of a default under the Contract and will forward or make available to Participating Members copies of all material communications between Custodian and Pacific Life relating to any such default. There is no legal requirement that Custodian pursue claims or recover interest on behalf of any Participating Members or that any Participating Members act in concert with other Participating Members.

Custodian is not affiliated with Pacific Life. Custodian (or one of its affiliates) may be a customer of, provide services to, or have other financial interactions with Pacific Life. Any business relationship between Custodian and Pacific Life outside of the program described in this Supplement is conducted on an arms-length basis without regard to the Contract or the Master Services Agreement described below.

**7 - Administration of the Cash Accounts and the Contract.** Custodian has responsibility for administering the Cash Accounts and the beneficial interests of Participating Members under the Contract as set forth in the Agreement and as otherwise provided in this Supplement.

**7.01 - Master Services Agreement.** In order to provide for certain administrative and other services and to provide for appropriate levels of liquidity under the Contract, Custodian has entered into a Master Services Agreement (the "MSA") with Pacific Life. No Participating Member is a third-party beneficiary of the MSA. Among other things, the MSA provides procedures for making payments to and withdrawals from the Contract, provisions related to Pacific Life's discretion with respect to setting interest rates, and provisions related to maintaining adequate levels of liquidity to fund Participating Members' withdrawals. In addition, the MSA requires HealthEquity (in its corporate capacity and not as custodian) to pay a fee under certain circumstances, such as if withdrawals from the Contract exceed certain amounts or if the MSA is terminated under certain circumstances.

Custodian and Pacific Life may amend the MSA at any time. However, no amendment of the MSA that would affect the rate for crediting Net Interest or administration of the Cash Accounts (except in respect of ministerial changes only) will take effect without first giving Participating Members at least 30 days' advance notice describing the amendment, unless such notice period would result in a violation of applicable law or regulation.

The MSA is also terminable (a) by mutual agreement of Custodian and Pacific Life; (b) by Custodian upon 30 days' advance written notice to Pacific Life; (c) by Custodian (i) for material breach of the MSA or the Contract by Pacific Life, if such breach is not remedied within 31 days of written notice of the breach, (ii) for failing to credit and/or

pay interest or a withdrawal under the Contract when due, if such failure is not cured within 5 business days of written notice of the failure (extended to 20 days if the failure is due to a specified "force majeure" event that is beyond Pacific Life's reasonable control), (iii) upon certain financial conditions applicable to Pacific Life or the initiation of certain delinquency, receivership, rehabilitation, or liquidation proceedings against Pacific Life, or (iv) upon assignment or transfer by Pacific Life of its rights or obligations under the MSA or Contract without Custodian's prior written consent; (d) by Pacific Life after the 10<sup>th</sup> anniversary of the Contract's effective date, upon 240 days' advance written notice to Custodian; (e) by Pacific Life (i) for material breach of the MSA or the Contract by Custodian, if such breach is not remedied within 120 days of written notice of the breach and would reasonably be expected to have a material adverse effect on Pacific Life's interest in the Contract, (ii) upon an uncured event of default under a credit agreement of Custodian, if such event is not remedied within 120 days of written notice of the breach and has a material adverse effect on Custodian's ability to satisfy its financial obligations under the MSA, (iii) upon commencement of a receivership, bankruptcy, reorganization, or insolvency action against Custodian or an assignment of a substantial part of Custodian's assets for the benefit of its creditors, (iv) upon Custodian's failure to make certain payments to Pacific Life under the MSA, if not cured within 60 days of written notice of such failure, or (v) upon assignment or transfer by Custodian of its rights or obligations under the MSA or Contract without Pacific Life's prior written consent. In addition, Custodian has the right to terminate the MSA with respect to a portion of the assets in the Contract with advance written notice to Pacific Life. In such event, the termination procedure described below would apply with respect to the affected Cash Balances.

*7.02 - Termination Procedure.* If either Custodian or Pacific Life gives notice of termination of the Contract or the MSA, Custodian shall offer you the opportunity (or implement instructions previously received from you) to (i) continue your Account and keep your Account balances in their current allocations until the termination date of the Contract, (ii) continue your Account and allocate your Account balances to an alternative vehicle made available by Custodian or (iii) terminate your Account in accordance with the terms of the Agreement. If you continue your Account and do not request to allocate your Account balances to an alternative vehicle, Custodian will transfer the balance in your existing Cash Account to a replacement cash vehicle.

**8 - Compensation to Custodian.** As compensation for providing custodial and administration services to your HSA in connection with the Contract, Custodian will receive the Program Fee described in "Net Interest" above (generally the difference between the declared interest credited under the Contract and the Net Interest credited to your Cash Balance). Custodian may deduct other fees and charges under your HSA from your Cash Balance as provided in the Agreement.

*8.01 - Custodian Compensation Variable.* The Program Fee (and, consequently, compensation to Custodian) will vary based on the aggregate account balances held in each Cash Account maintained in the Participating Members' HSAs and the rate for determining Net Interest as in effect from time to time.

*8.02 - Right to Terminate HSA.* If you do not approve of the rate for determining Net Interest, the Program Fee or the manner in which it is determined, you should contact HealthEquity Member Services for information on other asset deployment options available to you, or transfer your HSA to another custodian of your choice in accordance with the terms of the Agreement.

*8.03 - More Information.* Additional detail of the Program Fee, including a projection of future compensation from the Program Fee, is available at [https://resources.healthequity.com/Forms/Agreements/CustodianCompensation\\_PacificLife.pdf](https://resources.healthequity.com/Forms/Agreements/CustodianCompensation_PacificLife.pdf). You may request additional information by contacting Custodian at the telephone number on your HSA Statement or, if you have a Visa® Health Account Card ("Card"), on the reverse of your Card.

*8.04 - Reasonableness of Compensation.* Member has reviewed Custodian's direct and indirect compensation (as described herein and in the Agreement) and determined that the compensation Custodian receives is reasonable for the services it provides. Member has further determined that such services are necessary for the establishment and maintenance of their HSA.

**9 - FDIC and NCUA Coverage.** The Contract is not FDIC or NCUA insured. You should not rely on FDIC or NCUA insurance in electing the arrangement described in this Supplement as part of your HSA. Also, the Contract is not eligible for insurance coverage by the Securities Investor Protection Corporation.

**10 - Account Statements.** All activity with respect to your Cash Account will be available on your Member Portal available at <https://my.healthequity.com> and will appear on your monthly HSA statement. For each statement period, your HSA statement will reflect all payments to and withdrawals from your Cash Account, the balance in the Cash Account, the Net Interest rate, and the amount of Net Interest

credited and retained in your Cash Account. For more information, please contact Custodian at the telephone number on your HSA statement or, if you have a Card, on the reverse of your Card.

**11 - Notices.** All notices described in this document may be given by Custodian by means of an email, an entry on your HSA statement, a letter or by other means.

**12 - Termination of this Supplement.** Custodian may terminate the arrangement described in this Supplement at any time for any reason, provided that Custodian does not exercise investment discretion. If the arrangement described in this Supplement is terminated, you will be given 30 days' notice in advance, we will make available at least one alternative vehicle for use with your Account, and your Cash Account balances (including any accrued interest) will be transferred, without penalty, to the new vehicle or, if you do not wish to consent to such change you may terminate your HSA.

**13 - Amendment of this Supplement.** Custodian may amend this Supplement at any time by providing Member at least 30 days' advanced written notice that specifies the amendment and the effective date. If you do not consent to the amendment, you may do any of the following, without penalty: (i) transfer all funds, less any outstanding fees due Custodian from the Cash Account to another asset option available to you pursuant to the Agreement; (ii) withdraw all funds, less any outstanding fees due Custodian, from the Cash Account; (iii) initiate a trustee-to-trustee transfer; or (iv) close the Account. If you do not take any of the above actions by the effective date of the change, you will be deemed to have consented to the amendment.

If you terminate the Agreement or close the Account by reason of not consenting to an amendment that reduces Net Interest or increases the Program Fee described in this Supplement, upon your request Custodian will reimburse any termination or closure fee that you have paid to Custodian for the transfer or withdrawal of funds from the Cash Account or termination of the Account.

PACIFIC LIFE INSURANCE COMPANY DOES NOT IN ANY WAY SPONSOR, PROMOTE, ENDORSE, OR MAKE A RECOMMENDATION WITH RESPECT TO, THE CASH ACCOUNT AND HAS NOT PASSED ON THE LEGALITY OF, OR THE ACCURACY, ADEQUACY OF THE DESCRIPTIONS AND DISCLOSURES RELATED TO THE CASH ACCOUNT. PACIFIC LIFE INSURANCE COMPANY MAKES NO REPRESENTATION WHATSOEVER, WHETHER EXPRESSED OR IMPLIED, AS TO THE ADVISABILITY OF ALLOCATING TO THE CASH ACCOUNT. PACIFIC LIFE INSURANCE COMPANY SHALL NOT BE RESPONSIBLE FOR ANY COMPUTATION WITH RESPECT TO PARTICIPATING MEMBERS' CASH BALANCES, THE NET INTEREST CREDITED TO PARTICIPATING MEMBERS' CASH BALANCE OR THE PROGRAM FEE. PACIFIC LIFE INSURANCE COMPANY DOES NOT MAINTAIN ANY INFORMATION REGARDING PARTICIPATING MEMBERS INCLUDING THEIR CASH BALANCES AND NET INTEREST CREDITED.

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