

Frontier HSA Service Agreement

Last Updated: August 24, 2026

By creating an account with Frontier HSA, a division of 2689177 Alberta Inc. (“**Frontier HSA**”), the corporation identified during the Onboarding Process (the “**Plan Sponsor**”) hereby makes and agrees to the representations, warranties, covenants and agreements with Frontier HSA listed within this Agreement below.

WHEREAS Frontier HSA is in the business of providing financial and administrative services;

AND WHEREAS the Plan Sponsor has established a Health Spending Account (the “**Plan**”) for its eligible employees in accordance with this Agreement, which is intended to qualify as a Private Health Services Plan (a “**PHSP**”) under the *Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.)*

NOW THEREFORE in consideration of the mutual covenants and agreements set forth herein, the Plan Sponsor and Frontier HSA agree as follows:

1. DEFINITIONS

- 1.1. “*Claim Audit Policy*” means the Frontier HSA Claim Audit Policy, as amended from time to time.
- 1.2. “*Class Coverage Schedule*” means the types of eligible expenses covered under the Plan for a particular class of employees, as determined by the Plan Sponsor.
- 1.3. “*Coverage*” means the benefits available under the Plan for a specific Plan Member’s class, comprising both the annual authorized claim limit and the Class Coverage Schedule.
- 1.4. “*Effective Date*” means the date on which the Plan is established and the date the Plan Sponsor agrees to the terms of this Agreement.
- 1.5. “*Eligible Claim*” or “*Eligible Claims*” means a claim for an expense that qualifies under section 118.2(2) of the Income Tax Act, meets the criteria for the Plan Member’s Coverage, and meets the requirements established by Frontier HSA.
- 1.6. “*Notice of Amendment*” means a written notice delivered to the Plan Sponsor establishing a proposed amendment to this Agreement and which includes the complete amended agreement, the effective date of the amendment, and a summary of any material changes.
- 1.7. “*Onboarding Process*” means the series of steps by which the Plan Sponsor establishes the Plan with Frontier HSA and includes the verification of eligibility,

the selection of the Plan type, the provision of personal information and the acceptance of this Agreement.

- 1.8. "*Plan*" means the HSA established by the Plan Sponsor under this Agreement for its eligible employees, comprising the Coverage offered to each class of Plan Members, which is administered by Frontier HSA in accordance with this Agreement.
- 1.9. "*Plan Members*" means all individuals who are eligible for the services of the Plan and enrolled in the Plan including the Plan Sponsor's employees and the employees' spouse(s) and dependent(s), as applicable.
- 1.10. "*Plan Year*" means the 12-month period beginning on the Effective Date and ending on the day immediately preceding the anniversary of the Effective Date the following year, unless terminated earlier in accordance with the terms of this Agreement.
- 1.11. "*Run-Out Period*" means the sixty (60) calendar day window following either the expiry of the Agreement, termination of a Plan Member's enrollment in the Plan or the termination of the Agreement, during which a Plan Member may submit claims for expenses incurred on or before the effective date of such termination.

2. RESPONSIBILITIES OF THE PLAN SPONSOR

- 2.1. The Plan Sponsor agrees that it has read and understands the legal requirements for establishing an HSA and that it meets the eligibility criteria for this HSA account.
- 2.2. The Plan Sponsor agrees to:
 - (i) Ensure that the Plan is electronically funded in a manner necessary to meet its obligations to the Plan Members and Frontier HSA;
 - (ii) Immediately update the Plan electronically when changes occur that affect the eligibility of Plan Members;
 - (iii) Grant Frontier HSA the authority to use funds from the Plan Sponsor's account to reimburse Plan Members for Eligible Claims;
 - (iv) Require Plan Members to submit all claims within sixty (60) days of the end of the Plan Year in which the expense was incurred and, where Coverage or the Agreement terminates earlier, within the applicable Run-Out Period pursuant to section 8 of this Agreement;

- (v) Establish varying levels of Coverage for each class of employee based on objective criteria such as job classification, role, or seniority, ensuring compliance with the requirements of an HSA, so that participation in the HSA is not arbitrarily withheld and that employees within the same class are treated equally;
- (vi) Authorize the addition of eligible employees as Plan Members on an ongoing basis;
- (vii) Ensure compliance with this Agreement and all applicable laws regarding the administration of the HSA.

2.3. If the Plan Sponsor fails to fund the Plan as required within thirty (30) days of the submission of an Eligible Claim, Frontier HSA has no obligation to process or reimburse any future claims by Plan Members and retains the right to terminate the Agreement.

2.4. A Plan Sponsor may increase the Coverage offered to a particular class of employees at any time, however, any decrease to Coverage will not be applied until the beginning of the subsequent Plan Year.

2.5. Coverage shall be determined solely by an employee's class established pursuant to section 2.2(v); a Plan Sponsor may change the Coverage offered to an individual employee **only** when a material change in that employee's role or responsibilities results in their placement into a different class.

3. PAYMENTS

3.1. The Plan Sponsor agrees to pay an administration fee of 8% of the approved reimbursement amount and any applicable taxes, including GST/HST, premium tax, retail sales tax, or any other relevant provincial or federal tax associated with the processing and payment for each Eligible Claim.

4. TERM

4.1. The term of this Agreement shall commence on the Effective Date and shall continue until the day immediately preceding the anniversary of the Effective Date the following year (the "**Plan Year**"), unless terminated earlier in accordance with the terms of this Agreement.

4.2. This Agreement will automatically renew for successive one-year terms on the anniversary of the Effective Date, unless terminated in accordance with the terms of this Agreement.

4.3. The Plan Sponsor has the right to modify the Plan within thirty (30) days from the Effective Date provided that no claims have been made under the Plan.

5. TERMINATION OF PLAN MEMBER

5.1. The Plan Sponsor may terminate a Plan Member's participation in the Plan only where:

- (i) If the Plan Member is an employee, that Plan Member ceases to be employed by the Plan Sponsor, or a material change in their employment results in their placement in a class that is not eligible for participation in the Plan.
- (ii) If the Plan Member is a spouse or dependent, that Plan Member ceases to qualify as an eligible spouse or dependent under the Plan, the employee through whom the Plan Member's eligibility arises, ceases to be employed by the Plan Sponsor or, through a material change in employment, that employee is placed in a class not eligible for participation in the Plan.

5.2. The Plan Sponsor is responsible for ensuring that any termination complies with CRA requirements governing HSAs, including that benefits are not withheld arbitrarily and that Plan Members within the same class are treated equally.

6. TERMINATION OF AGREEMENT

6.1. The Plan Sponsor may terminate this Agreement immediately or on a future effective date either by providing written notice or through the Frontier HSA application.

6.2. Frontier HSA may terminate this Agreement by providing ten (10) business days' written notice to the contact person identified in section 13 of this Agreement.

6.3. Termination of this Agreement shall result in the termination of the Plan, and vice-versa.

7. TERMINATION OR SUSPENSION OF AGREEMENT WITH CAUSE

7.1. Frontier HSA may immediately suspend or terminate a Plan Member's enrollment in the Plan or the Agreement itself when Frontier HSA reasonably suspects fraud, abuse, material misrepresentation, unlawful activity, or another material breach of this Agreement.

7.2. Upon a termination under section 7.1:

- (i) The Run-Out Period shall **not** apply, and no new claims may be submitted by the affected Plan Members after the termination has taken effect; and
- (ii) Frontier HSA may withhold, deny, reverse, or recover any claim reasonably connected to the suspected conduct.

7.3. Upon a suspension under section 7.1:

- (i) No claims may be submitted; and
- (ii) The suspension may remain in effect until Frontier HSA has investigated, to its satisfaction, any suspected fraud, abuse, material misrepresentation, unlawful activity or other material breach.

8. RUN-OUT PERIOD

8.1. Plan Members may submit claims for expenses incurred on or before the termination of their enrollment in the Plan for a period of sixty (60) calendar days following said date (the 'Run-Out Period'); expenses incurred after the termination date or claims submitted after the sixty (60) calendar days shall not be eligible for reimbursement.

8.2. A Plan Member's enrollment in the Plan terminates, and the Run-Out Period begins on:

- (i) The expiry of the Agreement, pursuant to section 4.1 of this Agreement; or
- (ii) The termination of the Plan Member's participation in the Plan, pursuant to section 5.1 of this Agreement; or,
- (iii) The termination of the Agreement, pursuant to section 6.1 of this Agreement.

8.3. The Plan Sponsor shall be responsible for funding all Eligible Claims and paying any applicable fees and taxes during the Run-Out Period.

8.4. The Run-Out Period shall not apply when the Agreement is terminated pursuant to section 7.1 of this Agreement.

9. BENEFIT ROLLOVER

9.1. The Plan Sponsor may choose to enable the rollover of benefits when completing the Onboarding Process; if the rollover of benefits is enabled and the Agreement is automatically renewed pursuant to section 4.2 of this Agreement, any unused portion of benefits for each Plan Member will be carried forward into the subsequent Plan Year.

9.2. Any unused portion of benefits carried forward pursuant to section 9.1 of this Agreement must be used within the next twelve (12) months or will be considered forfeit.

10. CUSTOM BENEFITS

- 10.1. The Plan Sponsor may vary the Class Coverage Schedule offered to a class of employees provided that any such variation is made in accordance with the requirements of sections 2.4 and 2.5 and that the expenses continue to qualify under section 118.2(2) of the Income Tax Act.
- 10.2. Changes to the Class Coverage Schedule do not retroactively affect the eligibility of expenses incurred before the change took effect.
- 10.3. Expenses excluded by the applicable Class Coverage Schedule are not eligible for reimbursement, even if they might otherwise be a medical expense under the Income Tax Act.

11. RESPONSIBILITIES OF FRONTIER HSA

- 11.1. Frontier HSA will administer and manage the Plan electronically on an ongoing basis, which includes:
- (i) Establishing accounts for Plan Members, as authorized by the Plan Sponsor;
 - (ii) Processing and adjudicating claims submitted by the Plan Members;
 - (iii) Auditing claims in accordance with the Claim Audit Policy; and
 - (iv) Providing client reporting, including an annual transaction summary for tax purposes to allow the Plan Sponsor to reconcile all transactions for the Plan Year.
- 11.2. Frontier HSA will adjudicate each claim to ensure, as far as reasonably practicable, given the information provided by the Plan Sponsor, that:
- (i) Each claim is an Eligible Claim;
 - (ii) The claimant is a Plan Member, as authorized by the Plan Sponsor;
 - (iii) The expense was incurred within the term of this Agreement;
 - (iv) The claim was submitted during the term of this Agreement or during the applicable Run-Out Period;
 - (v) The claim does not exceed the annual authorized claim limit;
 - (vi) The expense is covered by the Class Coverage Schedule in effect for the Plan Member's class on the date the expense was incurred; and
 - (vii) The claim has otherwise been properly completed, authorized and funded.

11.3. Upon completion of the claim adjudication and payment by the Plan Sponsor, Frontier HSA will issue a reimbursement for the total cost of the Eligible Claim to the claimant.

11.4. Frontier HSA will not be held responsible if it pays a benefit for an employee or dependent who was ineligible due to the Plan Sponsor's failure to provide timely or accurate information to update its Plan in a way that meets Frontier HSA's requirements.

12. CLAIM AUDITS

12.1. Frontier HSA may request receipts, prescriptions, proof of payment, provider information or other documentation reasonably necessary to determine whether a claim is eligible; and in certain cases, may contact service providers to verify a claim, pursuant to the Claim Audit Policy.

12.2. Frontier HSA may deny, adjust or suspend a claim where the required information is incomplete, inconsistent or not provided within the applicable period.

12.3. Where Frontier HSA reasonably believes that there is a pattern of fraud, abuse, or intentional misuse of the HSA from Plan Members, Frontier HSA may notify the Plan Sponsor and may terminate the Agreement immediately, with written notice to the contact person identified in section 13 of this Agreement.

13. CONTACT

13.1. Frontier HSA and the Plan Sponsor hereto consent and agree to communicate with each other electronically via the contact information provided on the Frontier HSA website and the contact information provided by the Plan Sponsor during the Onboarding Process.

14. AMENDMENT

14.1. Frontier HSA may amend this Agreement by providing the Plan Sponsor with at least ten (10) business days' written notice to the provided contact (the 'Notice of Amendment').

14.2. The Notice of Amendment shall include the following information:

- (i) The complete amended agreement;
- (ii) The effective date of the amended agreement; and

(iii) A summary of any material changes.

14.3. If the Plan Sponsor does not agree with an amendment, the Plan Sponsor may terminate the Agreement before the amendment takes effect, pursuant to section 6 of this Agreement; Continued maintenance or use of the Plan on or after the effective date identified in the Notice of Amendment constitutes acceptance of the amended agreement.

14.4. Changes required by applicable law, changes made solely for the benefit of the Plan Sponsor or Plan Members, non-material administrative corrections, and changes reasonably necessary to address fraud, abuse, privacy, or security risks may take effect on shorter notice, including immediately, as specified in the notice.

15. GENERAL PROVISIONS

15.1. This Agreement and all onboarding forms completed during the Onboarding Process constitute the entire agreement between the Plan Sponsor and Frontier HSA with respect to their subject matter and supersede all prior agreements, understandings, negotiations, and discussions, whether oral or written.

15.2. All personal information collected under this Agreement will be used solely for the purposes described herein and will be handled in accordance with applicable federal and provincial privacy laws, including the Personal Information Protection and Electronic Documents Act (PIPEDA). For further details, please refer to the Frontier HSA Privacy Policy.

15.3. The Plan Sponsor agrees to indemnify and hold harmless Frontier HSA from any claims or damages arising from the Plan Sponsor's breach of this Agreement. To the maximum extent permitted by law, neither party will be liable for indirect, incidental, special, exemplary, punitive or consequential damages, including lost profits, lost tax benefits, loss of goodwill or business interruption, arising from this Agreement, even if advised of their possibility. Frontier HSA's aggregate liability for all direct damages, claims, and causes of action arising out of or relating to the Plan, the services, or this Agreement will not exceed the administration fees paid or payable to Frontier HSA by the Plan Sponsor during the twelve (12) months immediately preceding the event giving rise to liability.

15.4. The individual accepting this Agreement represents and warrants that they are duly authorized to enter into this Agreement on behalf of the Plan Sponsor and to bind the Plan Sponsor to its terms.

- 15.5. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to any conflict-of-laws principles.
- 15.6. If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court or tribunal of competent jurisdiction, that provision shall be severed and the remaining provisions shall continue in full force and effect.
- 15.7. The Plan Sponsor may not assign or transfer this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of Frontier HSA.
- 15.8. Neither party shall be liable for any failure or delay in performing its obligations under this Agreement to the extent such failure or delay is caused by events beyond its reasonable control.
- 15.9. Frontier HSA's administration of the Plan, acceptance or implementation of any Plan configuration, adjudication or approval of any claim, and preparation of any report or record do not constitute legal or tax advice, a ruling by the Canada Revenue Agency, or a representation, warranty, or guarantee that the Plan, any class, expense, reimbursement, deduction, or other tax treatment qualifies under the Income Tax Act or other applicable law. The Plan Sponsor remains responsible for the Plan's design and tax treatment and should obtain independent legal and tax advice.
- 15.10. Termination or expiry of this Agreement shall not affect any right or obligation accrued before termination or any provision intended by its nature to survive, which includes but is not limited to:
- (i) Section 3.1;
 - (ii) Sections 7.1 to 7.3;
 - (iii) Sections 8.1 to 8.4;
 - (iv) Sections 12.1 to 12.3;
 - (v) Sections 15.2 to 15.6; and
 - (vi) Section 15.9.