



CONTRACT X-RAY · GOVERNANCE SUITE

Participation Agreement

Voluntary Contract Submission

Version 2.0

Effective July 28, 2026

Supersedes Version 1.0

What We're Building

Nautilus Health Institute is a 501(c)(3) nonprofit organization. Our mission is to advance transparency and fiduciary accountability for employer plan sponsors by providing independent, standards-based analysis of benefits contracts.

Contract X-Ray is a primary instrument for that mission: an independent, standards-based evaluation of contracts giving employers, plan advisors, and the market a credible, verifiable basis for assessing contract quality.

Contract X-Ray evaluates contract language against Fiduciary-Aligned Contract Standards grounded in fiduciary principles under applicable law and aligned with the Consolidated Appropriations Acts of 2021 and 2026. Ratings reflect what a contract explicitly states, not what a PBM claims to do or what the industry considers normal.

Why This Matters Now

Many PBMs claim to be transparent, passthrough, and fiduciary aligned. PBMs who are genuinely transparent have no way to prove it. Employers have no independent benchmark for what "good" actually looks like in a contract. Contract X-Ray draws a bright line between PBMs whose contracts deliver on their transparency claims and those who cannot back them up. That is a distinction that will matter more with each passing year as employers and regulators focus harder on fiduciary accountability.

The CAA of 2026 is already moving employers toward fiduciary accountability for PBM selection. The DOL proposed rule on PBM fee disclosure would require PBMs to disclose fee arrangements that most contracts currently obscure. The regulatory environment is not getting friendlier for opacity. This is the moment when having a strong, independently verified rating matters most.

What Participation Looks Like

The process is straightforward. Three rounds, designed to be efficient for your team.

- **Baseline Analysis.** We analyze your standard contract against Nautilus Fiduciary-Aligned Contract Standards and deliver a Remediation Report with specific gaps, model language, and the path to higher ratings. You review at your own pace.
- **Review Session.** A one-hour working conversation. We walk through findings together, answer methodology questions, and build an action list. Your practices likely exceed what the contract currently says. The goal is closing that gap.
- **Rescore and Rate.** Your team revises the contract. We rescore and issue your rating. Two revision cycles included. Most PBMs reach their target in one.

Confidentiality

Individual contract details remain confidential. Nautilus publishes aggregate tier designations only, for example: [PBM Name]: Excellent. Not contract language, provision-level scores, or

specific findings. The detailed analysis, Remediation Report, and all working documents stay between Nautilus and your team.

Participation does not commit a PBM to publishing a rating. If the analysis surfaces issues your team wants to address before going public, the remediation process is designed for exactly that: improving the contract before a rating is confirmed.

The following Participation Agreement covers the formal terms of engagement. It is designed to be straightforward. The key points: Nautilus evaluates your contract independently and keeps it confidential. You retain all rights to your contract language. Scores are published as analytical opinions only. The liability cap reflects our nonprofit, public benefit structure.

Participation Agreement

This Participation Agreement (Agreement) is entered into as of the date last signed below (Effective Date) between Nautilus Health Institute ("Nautilus"), a 501(c)(3) nonprofit organization incorporated in Washington, and the Service Provider identified in the signature block below ("Service Provider").

This Agreement governs Service Provider's voluntary participation in Track A of the Contract X-Ray evaluation process, as described in the Contract X-Ray Governance Charter (Charter), which is incorporated by reference and may be changed from time to time by Nautilus without notice or confirmation to Service Provider. In the event of any conflict between this Agreement and the Charter on matters of process, evaluation, or standards governance, the Charter controls. In the event of any conflict on matters of confidentiality, liability, or intellectual property, this Agreement controls.

1 Service Provider Representations

By signing this Agreement, Service Provider represents and warrants:

- **Authority.** Service Provider has full authority to enter into this Agreement and to submit its standard contract template for evaluation. The individual signing has authority to bind Service Provider.
- **Completeness.** The submitted contract is Service Provider's actual standard template as offered to employer plan sponsor clients. No material provisions, schedules, or exhibits have been omitted, and the contract has not been modified or sanitized to improve its score.
- **Standard availability.** Following publication of a rating, Service Provider will make the evaluated contract available to any employer who specifically requests the version that earned the published rating.
- **Change notification.** If Service Provider materially modifies or replaces the evaluated contract following publication of a rating, Service Provider will notify Nautilus in writing within 30 days.
- **Nature of evaluation.** Contract X-Ray scores, ratings, and designations are analytical opinions produced by applying a published methodology to contract language. They are

not claims about Service Provider's business practices, service quality, or financial condition.

- Nature of rating and designation. Service Provider shall reference a rating or designation only with the version and date of the contract scored, and shall not represent it as an endorsement, certification, or award by Nautilus.

2 Nautilus Commitments

Nautilus commits to: evaluate the submitted contract independently against the same published standards applied to every contract in the reference database; keep all submitted contract materials confidential as provided in Section 3; deliver findings and the Remediation Report within five business days of a complete submission; and administer the dispute process described in the Charter in good faith.

3 Confidentiality and Permitted Uses

Nautilus will hold all submitted contract materials in strict confidence and will not share them with any third party without Service Provider's prior written consent. Nautilus may use submitted materials solely to conduct the evaluation, produce deliverables, administer disputes, and maintain its internal audit trail.

Scores, tier designations, and aggregate or anonymized data derived from contract evaluations are not confidential and are not subject to the restrictions above. Nautilus may use scores and derived data without restriction to produce Market Analytics and Market Reports, publish market statistics and analytical designations, and license Market Analytics and Market Reports to third-party organizations including employer coalitions and mission-aligned partners. No third-party licensee receives underlying contract language, pricing terms, or commercially sensitive provisions from submitted contracts.

Nautilus retains submitted contract materials to support the evaluation, follow-up questions, rescoring, and dispute review. Nautilus does not run a fixed deletion clock. Service Provider may request deletion at any time by written notice, and Nautilus will delete the submitted materials within 30 days of the request, except where retention is required by applicable law or active dispute proceedings. Nautilus's scoring workpapers and audit trail, which document the basis for each score, are retained as Nautilus's audit record and are not subject to a deletion request.

4 Intellectual Property

Nautilus retains all rights in Contract X-Ray, the methodology, and all analytical work product produced under this Agreement. Service Provider retains all rights in its submitted contract language. Following publication of a rating, Service Provider may reference its tier designation in marketing materials provided the reference accurately states the tier, the analysis date, and the contract version evaluated, and does not imply endorsement or certification by Nautilus.

5 Limitation of Liability

Neither Party is liable to the other for indirect, incidental, consequential, or punitive damages arising out of this Agreement. Nautilus's total aggregate liability for any and all claims under this Agreement shall not exceed five hundred dollars (\$500). Service Provider acknowledges this cap reflects the nonprofit, public benefit nature of the evaluation service.

6 Dispute Process

The dispute process described in the Charter is the sole mechanism by which Service Provider may seek reconsideration of a score or rating. Legal correspondence, cease-and-desist letters, and attorney demands do not constitute a filed dispute and do not trigger any obligation to modify, suspend, or withdraw a published rating.

7 General Provisions

This Agreement is governed by the laws of Washington. It constitutes the entire agreement between the Parties on the subject of voluntary participation in Contract X-Ray and supersedes all prior discussions on that subject. Amendments require a written instrument signed by both Parties. Electronic signatures are binding. This Agreement may be executed in counterparts. No third party has any rights under this Agreement.

Signatures

By signing below, each Party agrees to be bound by the terms of this Agreement as of the Effective Date.

Nautilus Health Institute	Service Provider
Signature	Signature
Sean Schantzen	Printed Name
Title: Executive Director	Title:
Date:	Date:
Email:	Email: