

# Nationwide® Fiduciary Warranty

Plan sponsors of qualified plans subject to ERISA rules (“Plan”) have a series of education and fiduciary management tools available to them through the Nationwide® Group Retirement Series. These management tools, known as the Nationwide Financial Fiduciary Series<sup>SM</sup>, provide a comprehensive and systematic process to help Plan Fiduciaries select, evaluate and monitor funds using generally accepted investment principles and modern portfolio theories. These are the same standards as ERISA places on fiduciaries for satisfying their investment duties under ERISA’s prudent man rule. While we are not acting as a fiduciary for the Plan in selecting and monitoring the investment options in our offering, we stand behind our comprehensive fiduciary program.

## Nationwide’s Commitment

If the Plan Fiduciaries (the Plan Sponsor, Employees of the Plan Sponsor, and Partners and Directors of the Plan Sponsor) satisfy the conditions set forth herein, and subject to the provisions set forth below under “Terms and Conditions”, Nationwide Financial Services, Inc. (“Nationwide” or “we”) warrants that:

1. The Nationwide Target Destination Funds and Nationwide ProAccount®, sponsored by Nationwide Investment Advisers, LLC, an SEC Registered Investment Adviser, meet the definition of a Qualified Default Investment Alternative (QDIA) in Section 404(c)(5) of ERISA; and also warrants that:
2. The method that the Plan Fiduciaries use to select and monitor investment options for the Plan will satisfy the prudent process requirement of section 404(a)(1)(B) of ERISA, 29 C.F.R. §2550.404a-1(b)(1), (the “prudent process requirement”) that the investment options were selected according to generally accepted investment principles and prevailing industry practices;
3. By meeting the criteria set forth in part a) of “The Plan Fiduciaries’ Responsibilities”, Nationwide® warrants that options selected will satisfy the requirement set forth in the United States Department of Labor regulation under section 404(c) of ERISA relating to participant-directed retirement plans, 29 C.F.R. § 2550.404c-1(b)(3), that such plans offer a broad range of investment alternatives (the “broad range requirement”);
4. If the Plan is the subject of a claim that the investment process used by the Plan Fiduciaries to select, evaluate and monitor funds fails to meet the Nationwide Fiduciary Warranty (“Warranty”) provided in Sections 1 or 2 above (“Claim”), then Nationwide will provide all reasonable assistance and support to the Plan Fiduciaries in demonstrating that the prudent process set forth in Section 2 and the selection of the QDIAs meet the ERISA standards. If a judgment is rendered against the plan for failure to meet the broad range requirement of Section 404(c) of ERISA as set forth in Section 3 above, Nationwide shall indemnify the Plan for any loss, damage, claim or liability recoverable under ERISA (“Loss”) as a result of such breach of fiduciary duty by Plan Fiduciaries as determined by a final and binding adjudication to the extent such Loss is not reimbursed by insurance or by any other source.

## The Plan Fiduciaries’ Responsibilities

a) For the Warranty set forth in Section 3 to apply, the Plan Fiduciaries must provide that the investment options offered for Plan participants must, at a minimum and at all times, include at least one fund from each of the following classes of funds:

Short-term Bond	Mid Value	Small Blend
Large Value	Mid Blend	Small Growth
Large Blend	Mid Growth	International Equity
Large Growth	Small Value	

b) In the alternative, the Warranty set forth in Section 3 will apply if the Plan Fiduciaries select, as the only investment options, all of the Nationwide Target Destination Funds and the Nationwide Fund Window.

c) The Warranty set forth in Section 1 only guarantees that listed investments meet the ERISA definition for a permissible type of QDIA. (Please note that the QDIA regulations require the giving of certain notices and the meeting of other requirements.) The Plan Fiduciaries must determine if the options selected are appropriate for their particular Plan and participants.

d) The Warranty set forth in Section 2 only applies if the Plan Fiduciaries can demonstrate fulfillment of the following responsibilities to the satisfaction of Nationwide:

- Meet the criteria as outlined in part a or part b) above;
- Adopt the Nationwide model Investment Policy Statement. This includes investment selection, evaluation and monitoring practices, and adopting and following them in their entirety as part of the due diligence process for the selection of investment alternatives for the Plan;
- Review the materials we provide about the investment options we offer and any other material they find prudent;
- Evaluate the needs and abilities of the Plan and its participants and tailor the investment lineup of the Plan to those needs and abilities by selecting, from among the investment alternatives we offer, the investments that are suitable for the particular needs of the Plan and its participants; and
- Hold, at least annually, a Plan Fiduciary Meeting and keep minutes. Set up and maintain a Due Diligence File containing, at a minimum, all of the items listed on Nationwide’s Due Diligence File Checklist

## Terms and Conditions

In order for the Warranty to apply, the following conditions must also be satisfied. The Warranty will apply only for the period during which Nationwide® is a product and service provider to the plan and these conditions are satisfied.

Plan-specific and fund-level reports which are used in the investment review process must be retained by the Plan Sponsor each quarter and must be made available to Nationwide upon request. This includes: Quarterly Status Summary, Plan Overview, Detailed Analysis for each fund in the Plan and all analytical reports obtained from investment professionals or other sources which are used in selecting, evaluating and monitoring the Plan's portfolio.

1. If a Claim is asserted against any of the Plan Fiduciaries that are responsible for selection or monitoring of the Plan's investment alternatives, the Plan Fiduciaries must promptly notify Nationwide of the Claim, provide to Nationwide all written evidence of the Claim that they receive, provide notice of the Claim in accordance with the terms of any fiduciary liability or other insurance policy that may cover the Claim, and provide to Nationwide a complete copy of any such insurance policy.
2. The Plan Fiduciaries must reasonably cooperate with Nationwide in connection with all matters described in the Warranty, including but not limited to the defense of any Claim.

The Warranty is available only to participant-directed defined contribution plans as defined in section 3(34) of ERISA, and applies only to Claims accruing after May 1, 2008. This Warranty does not cover individual employer stock, investments accessed through a brokerage account, Nationwide Fund Window, managed account program or any other investment option that is outside the platform of designated funds made available by Nationwide to qualified retirement plans.

Nationwide cannot and does not warrant or guarantee that any particular investment option available is suited to the needs of any individual Plan participant(s); as a result, the Warranty does not extend to Claims based on the needs of, or suitability for, any individual participant(s) but instead covers the general prudence of the investment options for long-term investing, such as retirement investment. Also since past performance is not a guarantee of future results, we cannot warrant or guarantee either that any investment option we offer will yield any specific return, or even that it will yield a positive return. Nor does the Warranty extend to Claims that any expenses paid directly or indirectly by the Plan or payments received by Nationwide from investment providers are reasonable. The Warranty extends only to loss, damage, expenses or liabilities that would be recoverable under ERISA as a result of a breach of fiduciary duty by Plan Fiduciaries at the Plan Sponsor who select and monitor the Plan's investment alternatives, subject to the conditions stated above and your performance of the fiduciary responsibilities stated above. In addition, the Warranty is inapplicable in respect of any change in law impacting Nationwide's obligations under this Warranty that occurs after the Plan qualifies for the Warranty.

Certain products/program features as outlined in the Warranty may not be available to all Plans.

The Nationwide Fiduciary Warranty is not insured by any Federal or State government agency.

Nationwide reserves the right to change or discontinue this Warranty.

Nationwide is not a fiduciary as defined in ERISA.



For more information about the available underlying investment options, including all charges and expenses, please consult a fund prospectus. Fund prospectuses and additional information relating to your retirement plan can be obtained by contacting your pension representative. Before investing, carefully consider the fund's investment objectives, risks, charges and expenses. The fund prospectus contains this and other important information. Read the prospectus carefully before investing.

• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution  
• Not insured by any federal government agency • May lose value

The Nationwide® Group Retirement Series includes unregistered group fixed and variable annuities and trust programs. The unregistered group fixed and variable annuities are issued by Nationwide Life Insurance Company. Trust programs and trust services are offered by Nationwide Trust Company, FSB, a division of Nationwide Bank®. Nationwide Investment Services Corporation, member FINRA. In MI only: Nationwide Investment Svcs. Corporation. Nationwide Mutual Insurance Company and Affiliated Companies, Home Office: Columbus, OH 43215-2220.

Nationwide, Nationwide Bank, Nationwide Financial, the Nationwide framemark, Nationwide ProAccount and On Your Side are federally registered service marks of Nationwide Mutual Insurance Company. The Nationwide Financial Fiduciary Series is a service mark of Nationwide Mutual Insurance Company.

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