

**NATIONWIDE MUTUAL INSURANCE COMPANY  
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY  
NATIONWIDE CORPORATION  
Boards of Directors**

**Governance Guidelines**

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The goal of the Boards of Directors of Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company and Nationwide Corporation (collectively, the “Companies”) is to be a strategic asset of the Companies. The Boards must constantly ensure that they have the right people, addressing the right issues with the right information in a culture that stimulates teamwork.

To achieve this goal, the Boards must:

- Be organized properly (board structure)
- Conduct their business effectively and, when appropriate, confidentially (board process)
- Have board competencies aligned with the company’s strategy (people)
- Have a culture that fosters open dialog and collaboration (culture)

The Boards of the Companies - in a spirit of continuous improvement - will consistently be assessing their performance against governance “Best Practices” and hold themselves accountable both as individuals and as Boards for adhering to the highest standards of board professionalism and performance.

**Board and Board Member Responsibilities**

The responsibilities of the Boards and their members include:

- Exercising their business judgment in representing the best interests of the policyholders and shareholders of the Companies.
- Approving a corporate philosophy and mission.
- Fostering the Companies as leaders in their industry.
- Selecting, monitoring, evaluating, compensating, and - if necessary - replacing the Chief Executive Officer (“CEO”).
- Selecting, monitoring the evaluation of, and compensating senior executives other than the CEO.
- Ensuring management succession.

- Reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which such plans are based, considering the risks inherent in such plans and reaching an independent judgment as to the probability that the plans can be realized.
- Reviewing and assisting in the development of the positions of the Companies with respect to significant internal and external policy issues.
- Reviewing and approving the financial objectives, plans, and actions of the Companies, including significant capital allocations and expenditures.
- Reviewing and approving material transactions not in the ordinary course of business.
- Monitoring corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the business is being properly managed.
- Ensuring ethical behavior and compliance with laws and regulations, auditing and accounting principles and governing documents of the Companies.
- Avoiding, individually and as Boards, all potential conflicts of interest to the extent possible, and disclosing any unavoidable conflicts.
- Performing such other functions as are prescribed by law, or assigned to the Boards in the governing documents of the Companies.
- Retaining advisors, who may be independent of other advisors retained by the Companies, to the extent that they determine that such action will assist it in carrying out the duties listed above.
- Soliciting information from and/or meeting with any member of management of the Companies as deemed necessary or appropriate to accomplish their functions. Any meetings or contacts that a director wishes to initiate with a member of management may be arranged through the CEO, Secretary or directly by the director. The directors will use their discretion to avoid contact that is disruptive to the business operations of the Companies.

In order to carry out the functions outlined above, individual board members are expected to:

- Prepare for each board and committee meeting by reviewing all materials provided in advance of such meetings.

- Attend, and actively participate in, each meeting of the board and committees to which the member is elected, other than those meetings where the member's absence is unavoidable.
- Carefully consider issues raised at meetings and in the reports provided by the Companies.

Directors are entitled to the following in connection with the performance of their duties:

- The purchase, by the Companies, of reasonable directors' and officers' liability insurance on their behalf;
- Exculpation as provided by state and federal laws;
- Indemnification as permitted by law and the Amended and Restated Code of Bylaws of Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company and the Amended and Restated Code of Regulations of Nationwide Corporation;
- Reliance on the honesty and integrity of the officers of the Companies and their outside advisors and auditors; and
- Access, in advance of board or committee meetings, to information and data relevant to business to be conducted at such meetings.

In addition, to assist board members in carrying out their duties, the Companies will provide a comprehensive orientation program for new board members, introducing them to the business operations, financial reporting, strategic issues and market conditions of the Companies and their subsidiaries, as well as familiarizing new directors with risk management issues, compliance programs, the Nationwide Code of Conduct and Business Practices, its principal officers and its internal and independent auditors. The orientation program shall be conducted within two months of the meeting at which a new director is elected. Other directors are welcome to attend the orientation program. Board members are also encouraged to attend relevant educational programs to enhance their understanding of issues faced by the Companies and by boards in general.

### **Board Member Qualifications**

The process for identifying potential candidates for election to the Boards and the qualifications sought in such candidates are set forth in the Board Policy Statement Regarding Board Composition and Selection of New Board Members. Candidates to fill board vacancies should be selected to complement the existing range of experience, expertise and relationships on the Boards. The goal is that the Boards as a whole – new members combined with continuing members – will have the skills and background needed to help the Companies deal with the challenges faced now and in the future.

Every candidate for a vacancy, in addition to his/her other qualifications, must be dedicated to the long-term interests of the Companies, and the policyholders and other stakeholders they serve; must have the time needed to carry out all the duties of a director of the Companies; and must have the personal skills to be a contributing and productive member of the Boards.

Finally, candidates will be selected so that the Boards will have a majority of directors who would meet the independence criteria adopted by the New York Stock Exchange.

The Governance Committee is responsible for annually reviewing the requisite skills and characteristics of board members as well as the composition of the Boards as a whole. This assessment will include directors' qualifications as independent, as well as considerations of diversity, age, skills and experience in the context of the needs of the Boards.

The Boards have, and have always fulfilled, a fiduciary duty to nominate only those who they believe, after appropriate inquiry, will serve the best long-term interests of the Companies. In deciding whether to renominate a director, the Boards should consider the recommendations of the Governance Committee, as well as the director's contribution to the Boards and to the Companies. The Governance Committee should consider all relevant factors, including its own experience in working with the director and the results of the Boards' annual effectiveness self-evaluation. In addition, the Governance Committee must consider the member's status as an independent director, as defined in the New York Stock Exchange Listing Standards mentioned above. Finally, directors of the Companies are no longer eligible for reelection after they have served five three-year terms, counting only terms that commenced after April 5, 2001, or, for directors first elected prior to April 5, 2001, the end of the term in which they attain age 65, if earlier.

The Board Policy Statement Regarding Board Tenure addresses the process for determining whether directors should be renominated for additional terms on the Boards.

While renomination is the ordinary result of the review of the service of a director by the Governance Committee, there may be reasons that a director would not be renominated despite lengthy and productive service on the Boards. For example, a director may have, over time, become involved in other business or personal pursuits that have left him/her with less time to devote to the Companies.

No director may serve on the Boards of Directors of the Companies and the boards of directors of more than three public companies, or on the Audit Committees of the Companies and the audit committees of more than two public companies, unless the Boards determine that such simultaneous service would not impair the ability of such director to effectively serve on the Boards or the Audit Committees of the Companies. Any such determination with respect to service on the audit committees of more than two public companies shall be disclosed in the Companies' annual report or on their website. A director should advise the Chairman of the Board and the Chairman of the Governance

Committees in advance of accepting an invitation to serve on a public company board or the audit committee of a public company.

The Boards currently consist of sixteen members. The Boards believe a board of ten to sixteen directors is appropriate. However, if the Boards identify an outstanding candidate, expansion of the board to add such a candidate may be considered.

Nominees for directorship will be recommended by the Governance Committees in accordance with their charter. An invitation to join the Boards should be extended by the Boards themselves, by the Chairman of the Governance Committees and the Chairman of the Board.

### **Director Compensation**

The Companies provide a competitive compensation package for board members that may consist of retainers, meeting attendance fees, and per diem fees. The compensation structure is reviewed at least biennially by the Human Resources Committee to determine if it remains competitive and reasonable in light of market data gathered at the time of the review. Such review will consider not only the amount of compensation, but also the elements of the compensation package to determine if the balance between those elements remains appropriate.

The Boards should critically evaluate, in determining the compensation package for board members, the impact of payment of compensation that exceeds what is customary, substantial contributions to organizations with which a director is affiliated, retention of a director (or an entity with which the director is affiliated) to provide consulting services, or the provision of other indirect compensation to a director. Each of these issues may raise questions concerning a director's independence. The Boards and each director should take steps to avoid these and other situations that may raise issues concerning the independence of the directors.

### **Board Committees**

Consistent with the Amended and Restated Code of Bylaws of Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company and the Amended and Restated Code of Regulations of Nationwide Corporation, the Boards may establish such committees as they determine are appropriate from time to time. Such committees shall consist of an Audit Committee, a Governance Committee, a Human Resources Committee, a Sponsor Committee and such other committees as the Boards may establish.

Committees are established by resolution of the Boards and may be delegated such authority as the Boards shall determine, subject to the limits described in the Amended and Restated Code of Bylaws and the Amended and Restated Code of Regulations.

### **Board Operations**

The schedule for board meetings is established by the Boards prior to the beginning of

each calendar year and may be adjusted with the approval of a majority of the members of the Boards. The agenda for each meeting is established by the Chairman of the Board with the input of other directors, and is distributed in advance of the meeting. Each meeting shall include time for an executive session of the non-management directors.

The offices of Chairman of the Board and Chief Executive Officer of the Company shall be held by different individuals, and the Chairman of the Board shall be an independent director.

Board meetings shall be attended by such members of management of the Companies and outside advisors as shall be appropriate to provide information on the topics to be discussed by the Boards.

### **Annual Performance Evaluation of the Boards**

The Boards of the Companies have adopted a policy to perform an annual evaluation of the Boards and their committees to determine if they are functioning effectively. The evaluation shall be completed in the fourth quarter each year. The Boards and each committee will consider a range of issues in evaluating effectiveness, including, but not limited to, structure, membership, meeting schedule and length, and operations.

The Boards and each committee shall assess the results of the evaluation with the goal of determining what areas require improvement and how such improvement can be accomplished.

### **Management Succession**

The Boards are responsible for ensuring that plans are in place for management succession within the Companies.

### **Director Representation of the Companies**

Directors, if contacted by members of the press or others for comment on issues related to the operations of the Companies, shall refer such contacts to the appropriate officer for response.

Adopted by the Board on October 4, 2006