

## Independence Standards for Directors

In order for a director to be “independent” for purposes of service on the Boards of Directors of Nationwide Mutual Insurance Company (“NMIC”), Nationwide Mutual Fire Insurance Company (“NMFIC”) and Nationwide Corporation (“NC”) (collectively, the “Companies”), the Boards must determine that he or she has no material relationship with the Companies (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Companies). The Boards have established these categorical standards to assist the Boards in making determinations of director independence. For purposes of applying these standards, the Boards will look back at relationships within the three years preceding the date of the Boards’ determination.<sup>1</sup>

The Boards have established the following categorical standards based on the final Corporate Governance Rules of the New York Stock Exchange which they deem appropriate to follow as current “best practices” even though the Companies are not public companies and such rules do not apply to the Companies:

1. A director will not be independent if, within the preceding three (3) years, he or she was an employee of the Companies, other than as an interim executive officer.<sup>2</sup>
2. A director will not be independent if he or she has received more than \$100,000 during any twelve-month period within the preceding three years in direct compensation from the Companies, other than compensation for service as an interim executive officer, director and committee fees, and pension or other forms of deferred compensation for prior service, provided that such pension or deferred compensation is not contingent in any way upon continued service.
3. A director will not be independent if he or she is a current partner or employee of a firm that is the internal or external auditor of the Companies or was within the last three (3) years, but is no longer, a partner or employee of such firm and personally worked on the audit of the Companies within that time.
4. A director will not be independent if, within the preceding three (3) years, he or she was employed as an executive officer of another company on whose compensation committee any of the present executive officers of the Companies served at the same time.
5. A director will not be independent if he or she is currently an employee of a company that, within any of the preceding three (3) fiscal years,

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<sup>1</sup> The three (3) year “look-backs” provided for herein will be applied beginning November 4, 2004. Until then, a transitional one (1) year look-back will be applied.

<sup>2</sup> The term “executive officer” has the same meaning specified for the term “officer” in Rule 16a-1(f) under the Securities Exchange Act of 1934.

has made payments to, or received payments from, the Companies for property or services in an amount that exceeded the greater of \$1 million or 2% of the other company's consolidated gross revenues in that fiscal year.<sup>3</sup>

6. A director will not be independent if an immediate family member of the director, within the preceding three (3) years, has been an executive officer of the Companies.
7. A director will not be independent if an immediate family member of the director has received more than \$100,000 during any twelve-month period within the preceding three calendar years in direct compensation from the Companies, other than compensation received for service as an employee other than an executive officer, director and committee fees, and pension or other forms of deferred compensation for prior service, provided that such pension and deferred compensation is not contingent in any way upon continued service.
8. A director will not be independent if an immediate family member of the director is (1) a current partner in a firm which is the internal or external auditor of the Companies, (2) a current employee of such firm and participates in such firm's audit, assurance or tax compliance (but not tax planning) practice, or (3) was within the last three (3) years, but is no longer, a partner or employee of such firm and personally worked on the audit of the Companies within that time.
9. A director will not be independent if an immediate family member of the director, within the preceding three (3) years, has been employed as an executive officer of another company on whose compensation committee any of the present executive officers of the Companies served at the same time.
10. A director will not be independent if an immediate family member of the director is currently an executive officer of a company that, in any of the preceding three (3) fiscal years, has made payments to, or received payments from, the Companies for property or services in an amount that exceeded the greater of \$1 million or 2% of the other company's consolidated gross revenues in that fiscal year.

In addition, the Boards have established the following supplemental categorical standards:

11. A director will not be independent if he or she (or his or her spouse) has received more than \$100,000 during any twelve-month period within the preceding three calendar years in "indirect" compensation attributable to payments received from the Companies for services

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<sup>3</sup> Contributions to tax exempt organizations shall not be considered payments for this purpose.

provided by his or her employer or any advisory firm in which the director is a partner or has a greater than 10% equity or voting interest (whether or not the director personally provided the service).

12. A director will not be independent if he or she, or a member of his or her immediate family, is an executive officer, director or trustee of a foundation, educational institution, charity or other tax exempt organization that receives, or has received, from the Companies or any other Nationwide entity (including Nationwide Foundation), within any of the preceding three (3) years, discretionary contributions, grants or endowments in any single fiscal year exceeding the greater of \$1,000,000 or 2% of consolidated gross revenues received by the tax exempt organization in that fiscal year.
13. A director will not be independent if he or she, or a member of his or her immediate family is an executive officer, partner or greater than 10% owner of a company that is indebted to the Companies, or to which any one or more of the Companies is indebted, and the total amount of indebtedness of either party to the other exceeds 1% of the total consolidated assets of the other company.
14. A director of the Companies who is also a director of an affiliate of the Companies will be considered independent if he or she meets the standards set forth above for both the Companies and the affiliate.

For purposes of these categorical standards, references to the “Companies” means the NMIC, NMFIC, NC and their subsidiaries and affiliates.

For the purposes of these categorical standards, “immediate family” or “immediate family member” means a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home. In applying the three-year (and transitional one-year) “look-back” provisions of these categorical standards, individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated shall not be considered.

For relationships not covered by these guidelines, the members of the Boards of Directors who meet the independence guidelines set forth above shall determine whether the relationship is material or not.

Adopted by Board of Directors on December 5, 2007