

**NATIONWIDE FINANCIAL SERVICES, INC.
NATIONWIDE LIFE INSURANCE COMPANY
NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY
CHARTER OF THE AUDIT COMMITTEE**

The Audit Committees are committees of the Boards of Directors of Nationwide Financial Services, Inc. (“NFS”), Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company (collective, the “Companies”). The Audit Committees are collectively referred to as the Committee herein. The Committee’s purposes are to engage and oversee the Companies’ independent auditors and to assist the Boards of Directors in their oversight of:

- (1) The integrity of the Companies’ financial statements;
- (2) The Companies’ compliance with legal and regulatory requirements, including requirements of the Securities and Exchange Commission (“SEC”), the Financial Industry Regulatory Authority (“FINRA”) and the New York Stock Exchange (“NYSE”);
- (3) The qualifications, independence and services of the independent auditors; and
- (4) The performance of the Companies’ internal auditors and independent auditors.

The Committee also will prepare an annual report to the shareholders of NFS for inclusion in NFS’ proxy statement in accordance with the rules of the SEC.

The Committee shall meet at least four times per year and more frequently as circumstances require. Meetings may be called by the chair or any two or more members of the Committee and may be held telephonically. Meetings may be attended by any non-management member of the Boards, although Directors who are not members of the Committee are not entitled to vote on issues considered by the Committee. The Committee may invite or exclude any person it deems appropriate to carry out its responsibilities. The chair elected by the Boards will chair all meetings of the Committee and may cast the tie-breaking vote on any issue brought to a vote by the Committee. In the absence of the chair elected by the Boards, another member of the Committee, selected by the members in attendance, shall chair the meeting.

Committee Membership

The Committee shall be comprised of at least three Directors, elected by the Boards of Directors. Each member of the Committee shall be independent, as determined by the Boards of Directors in accordance with the requirements of the SEC, the NYSE, and policies of the Companies. All Committee members shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. One or more members of the Committee shall have accounting or related financial management expertise. Members of the Committee shall receive no compensation from the Companies other than compensation as Directors for their services as members of the Boards and their committees.

Committee Authority and Activities

The Committee's responsibilities fall into five categories of activities as described below:

Authority and Committee Governance Activities:

1. Provides an open avenue of communication between the internal auditors, the independent auditors and the Boards of Directors.
2. Provides an open avenue of communication between the legal and compliance functions and the Boards of Directors.
3. Reviews annually and, if necessary, updates the charters of the Committee and the Office of Internal Audit, submitting the Committee charter to the Boards of Directors for approval and posting the charter on the NFS website.
4. Receives reports from management and independent auditors as requested by the Committee or required by law or regulation, including reports required by the Sarbanes-Oxley Act of 2002, the FINRA, the SEC and the listing requirements of the NYSE.
5. Receives and considers the regular reports of management regarding the establishment and quarterly and annual assessments of internal controls and disclosure controls required by Sections 302 and 404 of the Sarbanes-Oxley Act of 2002, including any significant deficiencies in the controls or any fraud involving management or other employees who have a significant role in such controls.
6. Establishes procedures for the receipt, retention and treatment of complaints received by the Companies regarding accounting, internal accounting controls, or auditing matters, including a process for the receipt of anonymous, confidential concerns submitted by employees regarding questionable accounting or auditing matters.
7. Meets separately and periodically with management, internal auditors and independent auditors.
8. Conducts an annual performance evaluation of the Committee, consistent with the listing standards of the NYSE.

Engagement and Oversight of Independent Auditors:

9. Appoints, terminates, compensates and oversees the work of the Companies' independent auditors, who shall report to the Committee, including resolution of disagreements with management regarding financial reporting.
10. Reviews and approves the scope and plan of the annual audit by the independent auditors.

11. Establishes and annually reviews the Companies' policy regarding engagement of independent audit firms, and approves all audit and non-audit services (and related fees) as required by law performed by independent auditors pursuant to the Companies' policy.
12. At least annually, obtains and reviews a report by the independent auditors describing the firm's internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review of the firm, or by any inquiry board investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Companies.
13. Reviews with the independent auditors any audit problems or difficulties and management's response.
14. Sets hiring policies for employment by the Companies of current or former independent auditor employees.
15. Approves the assignment and required rotation of the independent auditors' lead engagement and review partners.

Oversight of Financial Reporting Activities:

16. Meets to review and discuss the annual audited financial statements and quarterly financial statements with management and the independent auditors, including review of the Companies' specific disclosures under "Management Discussion and Analysis of Financial Condition and Results of Operations."
17. Discusses earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
18. Reviews timely with management and the independent auditors:
 - a. The audit of the financial statements of the Companies and the independent auditors' reports thereon;
 - b. The independent auditors' report regarding (i) judgments about the quality and appropriateness of the Companies' critical accounting policies and practices as applied in its financial reporting, (ii) the auditors' opinion regarding alternative treatments of financial information within GAAP, the ramifications of each treatment, and the auditors' preferred treatment, and (iii) material written communications between the auditors and management; and
 - c. Any related significant findings and recommendations of the independent auditors, together with management's responses thereto.

Oversight of Internal Audit Function:

19. Ensures the Companies establish and maintain an effective internal audit function, including review and concurrence in the appointment, replacement, reassignment

or dismissal of the senior officer in the Office of Internal Audit (the "Chief Auditor").

20. Considers and reviews with management and the Chief Auditor:
 - a. Significant findings during the year and management's responses thereto;
 - b. The adequacy of the Companies' internal controls, including computerized information system controls and security;
 - c. Any changes required in the planned scope of the internal audit plan and any difficulties encountered in the course of internal audits, including any restrictions on the scope of their work or access to required information; and
 - d. The Office of Internal Audit's budget and staffing.
21. Reviews with the Chief Auditor and the independent auditors the coordination of audit effort to review completeness of coverage, reduction of redundant efforts and the effective use of audit resources.

Other Activities:

22. Engages and compensates independent counsel and other advisers as the Committee determines is necessary to carry out its duties.
23. Discusses policies with respect to risk assessment and risk management.
24. Reviews with management the results of the Company's monitoring of compliance with the conflict of interest policy, waivers of that policy, and required disclosure of such waivers.
25. Receives and considers regular reports from management and the Chief Compliance Officer regarding the establishment and assessments of compliance programs and controls, including reports of serious compliance issues.
26. Reviews management's assessment of legal and regulatory matters that may have a material impact on the financial statements, related company compliance policies and programs, and reports received from regulators.
27. Reviews policies and procedures with respect to officers' expense accounts and perquisites, including use of corporate assets, and considers the results of any review of this area by the Office of Internal Audit.
28. Maintains minutes of meetings and regularly reports actions of the Committee to the Boards of Directors. Reports to the Boards may take the form of a written report or an oral report by the chair of the Committee or any other member of the Committee designated by the Committee to make such a report.
29. The Committee may establish subcommittees from time to time for purposes of considering issues described above, provided that no decision concerning the evaluation of the Committee shall be delegated to a subcommittee.

The above list represents examples of actions the Committee may take in fulfilling its responsibilities.

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Boards of Directors.

Adopted: October 31, 2007