

contract owner's cancellation of the contract pursuant to the contractual free-look provisions.

6. The New Contracts generally. The New Contracts are flexible purchase payment deferred annuity contracts that will be sold to individuals as: (i) Non-qualified contracts which are governed for tax purposes by section 72 of the Code; (ii) Individual Retirement Annuities ("IRAs"), Roth IRAs, SEP IRAs or Simple IRAs which are governed by section 408 of the Code; (iii) Non-ERISA Tax Sheltered Annuities which are governed by section 403(b) of the Code; or (iv) Investment-Only Contracts, sold to qualified plans governed by section 401(a) of the Code. Contract owners may allocate their investments in the contract to variable investment options (underlying mutual funds), fixed investment options (including a fixed account Guaranteed Term Options or "GTOs"), or a combination of fixed and variable investment options. The contracts also provide for certain services such as asset rebalancing, dollar cost averaging, and systematic withdrawals. If the annuitant dies before the annuitization date, Nationwide will pay a death benefit to the beneficiary. After two years from the date a New Contract is issued, a contract owner may elect to begin receiving annuity payments.

7. Purchase Payment Credits. Nationwide intends to apply Purchase Payment Credits to the New Contracts when total cumulative purchase payments reach retain aggregate levels. When cumulative purchase payments (minus surrenders) reach \$500,000, Nationwide will apply to the contract Purchase Payment Credits equal to 0.50% of total purchase payments up to \$999,999. When cumulative purchase payments (minus surrenders) reach \$1 million, Nationwide will apply to the contract Purchase Payment Credits equal to 1.00% of total purchase payments (reduced by any previous Purchase Payment Credits applied), and on all purchase payments thereafter. Purchase Payment Credits are considered earnings, not purchase payments.

Purchase Payment Credits will be fully vested except during the contractual free-look period. If the contract owner cancels the contract pursuant to the contractual free-look provisions, Nationwide intends to recapture any Purchase Payment Credits applied.

8. Individual Characteristics of the New Contracts. Each of the 4 New Contracts is distinct and will be referred

to as "Contract A," "Contract B," "Contract C," and "Contract D."

a. Contract A. Contract A requires an initial purchase payment of \$5,000 for non-qualified contracts and \$3,000 for the remaining contract types (e.g., IRAs, etc.). If the contract owner elects to make subsequent purchase payments, they must be at least \$500 each (\$50 each if submitted via automatic electronic transfer).

i. Contract A assesses a Variable Account Charge equal to an annualized rate of 1.15% of the daily net assets of the variable account and an annual Contract Maintenance charge of \$30 that is waived when the contract value reaches \$50,000 on any contract anniversary.

ii. Contract A assesses a CDSC when certain amounts are withdrawn from the contract. The CDSC schedule is as follows:

Number of completed years from date of purchase payment	CDSC percentage
0	7
1	7
2	6
3	5
4	4
5	3
6	2
7	0

Under Contract A, a certain amount of CDSC-free withdrawals is permitted each year. This annual "free-out" amount is equal to 10% of purchase payments that are subject to CDSC. Contract A also provides for the waiver of CDSC: upon the annuitant's death, upon annuitization of the contract, when distributions are necessary in order to meet minimum distribution requirements under the Code, and under an age-based "free-withdrawal" program that allows contract owners to take systematic withdrawals of certain contract value percentages as specified ages without incurring a CDSC. Contract A includes a Long-Term Care/Nursing Home Waiver at no additional charge. The Long-Term Care/Nursing Home allows a contract owner to withdraw value from the contract free of CDSC if: (1) The third contract anniversary has passed and the contract owner has been confined to a long-term care facility or hospital for a continuous 90-day period that began after the contract issue date; or (2) the contract owner has been diagnosed by a physician to have a terminal illness.

iii. Contract A may be modified or augmented by a number of "rider options" that enable owners to elect

certain contract features or benefits that fit their particular needs. The election of a rider option will result in a charge in addition to the basic Variable Account Charge. Rider options must be chosen at the time of application and once elected, a rider may not be revoked. The rider options available under Contract A include:

- Four year CDSC Option. The Four Year CDSC Option reduces the standard 7 year CDSC period to 4 years as follows:

Numbers of completed years from date of purchase payment	CDSC percentage
0	7
1	6
2	5
3	4
4	0

An annualized charge of 0.25% of the daily net assets of the variable account is assessed for the election of this rider option. Election of the Four Year CDSC Option increases the minimum initial purchase payment to \$10,000. The charge associated with this option will be assessed for the life of the contract.

- No CDSC Option. The No CDSC Option eliminates the assessment of CDSC upon withdrawal of value from the contract. An annualized charge of 0.30% of the daily net assets of the variable account is assessed for the election of this rider option. Election of the No CDSC Option: increases the minimum initial purchase payment to \$10,000; eliminates the fixed account as an investment option under the contract; eliminates Enhanced Rate Dollar Cost Averaging as a contract owner service; and disqualifies the contract from receiving Purchase Payment Credits. The charge associated with the No CDSC Option will be assessed for the life of the contract.

- 3% Extra Value Option. Nationwide intends to offer a 3% Extra Value Option whereby Nationwide applies a Credit equal to 3% of all purchase payments made during the first 12 months of the contract. The Credit will be funded from Nationwide's general account and will be credited proportionately among the investment options chosen by the contract owner. The charge for this rider will be an annualized rate of 0.45% of the daily net assets of the variable account for the first 7 contract years only.

- One-Year Enhanced Death Benefit.
- Greater of One-Year or 5% Enhanced Death Benefit.
- Beneficiary Protector II Option.