

## **Oxford Industries, Inc. Investment Policy Statement**

### **Part I THE PLAN**

Oxford Industries, Inc. (the "Company") sponsors a Defined Contribution Plan ("Plan") for the benefit of its employees.

The Plan is intended to encourage eligible employees to save for retirement by offering an attractive tax-deferred savings vehicle that:

- Promotes long-term growth in retirement savings through a combination of employee and employer contributions to individual participant accounts
- Provides flexibility in the amount of contributions.
- Provides employees with appropriate access to their monies
- Provides employees the ability to invest in a broad range of investment alternatives.
- Provides a retirement benefit attractive to both current and prospective participants.

The Plan is a qualified employee benefit plan intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974 (ERISA), as amended. In addition, the Plan is intended to comply with ERISA Section 404(c).

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of investment results from the options and asset allocation that they select.

### **Part II THE PURPOSE OF THE INVESTMENT POLICY STATEMENT**

This Investment Policy Statement is intended to assist the Plan's fiduciaries by ensuring that they make investment-related decisions in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options utilized by the Plan.

Specifically, this Investment Policy Statement:

- Defines the Plan's investment objectives.
- Defines the roles of those responsible for the Plan's investments
- Describes the criteria and procedures for selecting the investment options.
- Establishes investment procedures, measurement standards and monitoring procedures
- Describes ways to address investment options and investment managers that fail to satisfy established objectives.
- Describes ways to ensure compliance with fiduciary obligations and applicable laws and regulations.

This Investment Policy Statement will be reviewed at least annually, and, if appropriate, can be amended to reflect changes in the capital markets, plan participant objectives, or other factors relevant to the Plan.

This Investment Policy Statement (including the criteria for the selection and monitoring of investment options under the Plan) does not apply to employer securities (also known as Company stock) if offered under the Plan.

### Part III INVESTMENT OBJECTIVES

The Company will select the Plan's investment options based on performance objectives and criteria deemed relevant from time to time by the Company's Administrative Committee (the "Administrative Committee") Their criteria may include but are not limited to the following:

- Maximize return within reasonable and prudent levels of risk.
- Provide returns comparable to returns for similar investment options
- Provide exposure to a wide range of investment opportunities in various asset classes
- Control administrative and management costs
- Provide appropriate diversification within investment vehicles.
- Investment manager's adherence to stated investment objectives and style

### Part IV. ROLES AND RESPONSIBILITIES

The Company is responsible for selecting the trustee(s); hiring the recordkeeper; hiring the investment consultant(s); and appointing the members of the Administrative Committee. In furtherance of fulfilling the Company's responsibilities and the Plan's objectives, the Administrative Committee has sole responsibility for:

- Establishing and maintaining the Investment Policy Statement.
- Selecting investment option(s) and periodically evaluating the Plan's investment performance and making investment option changes.
- Providing Plan participant investment education and communication.
- Periodically reviewing the administrative and management costs of the Plan and investment options
- Monitoring and recommending changes, if necessary, in the trustee(s), the record keeper and the investment consultant(s) for the Plan and all other persons whose expertise the Administrative Committee deems appropriate and necessary for it to properly discharge its obligations and responsibilities

### Part V MONITORING OF PLAN PROVIDER

Plan providers will be monitored on an ongoing basis, no less than every five years, or as other plan demographics change, to ensure comprehensive investment/fund offerings and competitive total Plan costs/expenses

Investment line-ups will be compared to appropriate providers to ensure the Plan has access to competitive investments. Total Plan costs will also be reviewed to ensure that costs, services and investment expenses are competitive.

### Part VI SELECTION OF INVESTMENTS

The selection of investment options offered under the Plan is among the Administrative Committee's most important responsibilities. Set forth below are the considerations and guidelines employed in fulfilling this fiduciary responsibility

The Plan intends to provide an appropriate range of investment options that may span the risk/return spectrum. Further, the Plan's investment options should allow Plan participants to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk. Major asset classes to be considered may include but are not limited to:

#### Conservative Investments

Including cash and liquid investments such as money market, stable value, and guaranteed interest accounts.

#### Income Investments

Including income oriented investments such as bond funds with low, medium, and high quality, and short, intermediate, and long term duration. Management styles may include sector, indexed, and actively managed international, global, and domestic styles.

#### Equity Investments

Including funds that invest in equity securities, both domestic and foreign, including small, medium, and large market capitalization, value, blend, and growth investment objectives, sector, actively managed, and indexed.

#### Managed Accounts

Including accounts that invest in a combination of conservative, income, and equity investments, "fund of funds" accounts combining several of the above investments into one or a series of investments, and "manager of managers" accounts combining several different investment styles and fund managers into one or a series of accounts.

#### Other

Real estate and real estate investment trusts, commingled real estate equity investments, self-directed brokerage accounts, bank certificates of deposit, insurance company separate accounts through a group annuity contract, and mutual funds.

After or in connection with determining the asset classes to be used, the Administrative Committee will evaluate and choose the desired investment option(s).

#### Default Investment(s)

The Investment Committee will evaluate and choose an investment or set of investments to serve as the default investment(s) for the Plan. The default investment(s) will be the designated investment for dollars contributed to the Plan by participants and/or the employer for which the Plan has not received investment direction.

The default investment will be selected to comply with the requirements of ERISA section 404(c)(5) and the regulations promulgated thereunder as a qualified default investment alternative ("QDIA").

If an investment manager (responsible for the management of the underlying investment vehicle, such as: a mutual fund, co-mingled account and separate account) is chosen as the investment option, the following minimum criteria should be met:

1. It should be a bank, insurance company, investment management, mutual fund company or an investment advisor under the Registered Investment Advisors Act of 1940;
2. It should operate in good standing with regulators and clients, with no material pending or concluded legal actions; and
3. All relevant qualitative information on the fund manager and fund should be made available by the manager and/or vendor.

In addition, the particular investment under consideration should meet the following standards for selection:

1. Investment performance should be competitive with the median return for an appropriate, style-specific benchmark and peer group;
2. Specific risk and risk-adjusted return measures should be reviewed by the Administrative Committee and be within a reasonable range relative to appropriate, style-specific benchmark and peer group;
3. It should demonstrate adherence to the stated investment objective, without excess style drift over trailing performance periods, for funds in a similar asset class;
4. Fees should be competitive compared with similar investments; and
5. The investment manager should be able to provide performance, holdings, and other relevant information in a timely fashion with specified frequency

Furthermore, investment managers will be evaluated and selected from an investment manager "score card," detailed below, in Part VII (Investment Monitoring and Reporting)

#### Part VII INVESTMENT MONITORING AND REPORTING

The ongoing monitoring of investments is a regular and disciplined process. This is the mechanism for confirming that the criteria originally satisfied remain so and that an investment option continues to be appropriate. While frequent change is neither expected nor desired, the process of monitoring investment performance relative to specified guidelines will be consistent, reflecting best practices guidelines

Monitoring will generally utilize the same investment selection criteria of the original analysis. Unusual, notable, or extraordinary events will be communicated by the investment manager and/or vendor on a timely basis to the Administrative Committee. Examples of such events include portfolio manager or team departure, violation of investment guidelines, material litigation against the firm, or material changes in firm ownership structure, or announcements thereof

If overall satisfaction with the investment option is acceptable, no further action is required. If areas of dissatisfaction exist, the investment manager and the Administrative Committee may take steps to remedy the deficiency. If over a reasonable period the manager is unable to resolve the issue, termination may result

For each investment manager (fund) a "score card" will be maintained and documented (see addendum) in order to substantiate acceptable levels of manager performance and appropriate style characteristics. Based upon objective criteria, derived from Modern Portfolio Theory concepts, each fund will receive a score reflecting its overall performance

If a fund fails to meet the criteria standards, as determined by its score, it will be placed on a "watch list." (In the event a fund receives a score which is below that of "watch list" status, or experiences extraordinary circumstances which may render it inappropriate to maintain, it may be considered for removal.) If this fund continues to remain on "watch list" for the following three quarters, the fund will be considered for possible elimination.

Furthermore, throughout the seven quarters subsequent to being placed on the watch list, the fund should achieve the criteria standards in at least five quarters in order to avoid being considered for elimination. If the fund meets criteria standards for four consecutive quarters it may be removed from the watch list.

For index funds, which are not scored, the appropriate statistics (R-squared and tracking error) should be monitored to ensure the fund is tracking the appropriate benchmark. Index funds are not designed to outperform the "market," represented by a benchmark or index, thus no score is applied due to their unique passive investment nature and objectives.

Asset Allocation funds and/or accounts will be scored and monitored using the previously described guidelines. Unlike other funds which are monitored and scored individually, these funds should be evaluated as a group. Due to the unique importance of these professionally managed vehicles for less sophisticated participants in the plan, funds or accounts failing to achieve criteria standards will be carefully reviewed before removed from the plan in the absence of a reasonable alternative. In addition, funds with little time history should be evaluated primarily on their qualitative aspects before inclusion into the plan. Accordingly, these funds should also be monitored in a primarily qualitative framework, until they have enough history to be scored.

Investment styles or asset classes where no score is applied (select specialty funds) should be reviewed where appropriate

The foregoing criteria for monitoring investment options in the Plan shall not under any circumstance be taken as conclusive evidence for removal, termination or continuation. Such a determination should be made by the Administrative Committee, in its sole discretion, based upon the facts and circumstances relating to each investment option

#### Part VIII: MANAGER TERMINATION

An investment manager (i.e., fund) may be terminated when the Administrative Committee has lost confidence in the manager's ability to:

- Achieve performance, style, and/or risk objectives
- Maintain acceptable qualitative standards (e.g., stable organization, compliance guidelines)

If the investment manager has failed to adhere to and/or remedy one or both of the above conditions, they may be considered for removal from the Plan. Any decision by the Administrative Committee to terminate an investment manager will be made on an individual basis, and will be made based on all the known facts and circumstances, including:

- The objective analysis (described above).
- Administrative impact on the Plan.
- Timing
- Employee communications issues
- The availability of other (potential replacement) managers.
- Underwriting and Plan provider limitations
- Financial considerations (hard and soft dollar fees).
- Professional or client turnover
- A material change in the investment process
- Other relevant factors

Considerable judgment should be exercised in the manager termination decision-making process. A manager to be terminated should be removed using one of the following approaches:

- Remove and replace (map assets) with an alternative manager.
- Freeze the assets managed by the terminated manager and direct new assets to an alternative manager.
- Phase out the manager over a specific time period
- Continue the manager and add a competing manager.
- Remove the manager and do not provide a replacement manager

Replacement of a terminated manager would follow the criteria outlined in Part VI (Selection of Investments).

## Part IX PARTICIPANT EDUCATION AND COMMUNICATION

The Plan should: communicate to employees that they control their own investments; permit investment changes regularly; and provide effective educational materials allowing employees to make informed decisions.

## Part X COORDINATION WITH THE PLAN DOCUMENT

Notwithstanding the foregoing, if any term or condition of this Investment Policy Statement conflicts with any term or condition in the Plan, the terms and conditions of the Plan shall control.

## Part XI LEGAL AND REGULATORY ENVIRONMENT

The Company intends to comply with ERISA 404(c) and the regulations thereunder, thereby relieving the Plan fiduciaries from liability for investment performance that is the direct result of investment decisions made by Plan participants. The intention to comply with ERISA 404(c), and the pertinent requirements of the 404(c) regulations, should be communicated to employees in writing, with a notice that will be included in the employee enrollment kits that will be distributed to every eligible employee.

The Plan is subject to federal law, ERISA and supporting regulations. The assets of the Plan should be invested in accordance with all legal requirements in a manner consistent with the fiduciary standards of ERISA. Specifically:

- All transactions undertaken on behalf of the Plan must be solely in the interest of Plan participants and their designated beneficiaries
- Investment options should be managed with the care, skill, prudence and diligence under the circumstances prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.
- Investment options, collectively, under the Plan should be diversified so as to allow the Plan participant(s) to minimize the risk of large losses, unless under some unforeseen extraordinary circumstances it would clearly not be prudent for the Administrative Committee to do so.

## Part XII INVESTMENT INFORMATION AND ADMINISTRATIVE SUPPORT

The Administrative Committee should require the investment manager to offer the following administrative information and support:

1. Daily valuation of all investments;
2. Daily access to account information via toll-free number and Internet access;
3. The ability to make investment transfers for both existing and future individual account balances on a daily basis (non-business days and holidays excluded);
4. Zero cost to the Plan participant for investment changes (for at least the first four investment transfers per year);
5. Participant account investment reports produced no less than annually, with similar information available via the Internet at least quarterly; and
6. Quarterly investment performance updates available for participant review via the Internet.

### Part XIII EMPLOYEE INVESTMENT COMMUNICATION AND EDUCATION



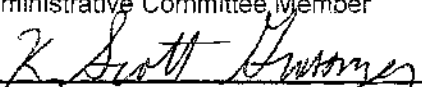
Investment communications materials, educational materials, and enrollment support should be available to help Plan participants make educated and informed choices, including:

- 1 Periodic enrollment, and investment education, through one or more of the following: on-site meetings, phone conference, Internet, phone (voice-response and live representatives), and written materials;
- 2 ERISA 404(c) written disclosure;
- 3 Summary Plan Description made available to all employees;
- 4 Information on investment risk, inflation, general taxation impact, investment earnings, and asset classes; and
- 5 Investment risk profile questionnaire and other investment tools to assist employees in making educated and informed investment decisions

### Part XIV ADMINISTRATIVE REVIEW PROCEDURES

The objective of this Investment Policy Statement is for the Company, and the Administrative Committee, to establish and adhere to an ongoing process to select and monitor investment managers that maximize the opportunity for competitive investment performance within each of the asset classes evaluated; it makes no investment performance guarantees. Historical investment performance is not an indication of future investment results. This Investment Policy Statement may be amended at any time, without notice, by action of the Administrative Committee.

It is not expected that this Investment Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require amendments to this Investment Policy Statement.

		8/22/08
Administrative Committee Member	Signature	Date
		8/22/08
Administrative Committee Member	Signature	Date
		8/22/08
Administrative Committee Member	Signature	Date

# ADDENDUM TO PART VII INVESTMENT MONITORING AND REPORTING

## The Scorecard<sup>SM</sup> System

### Methodology:

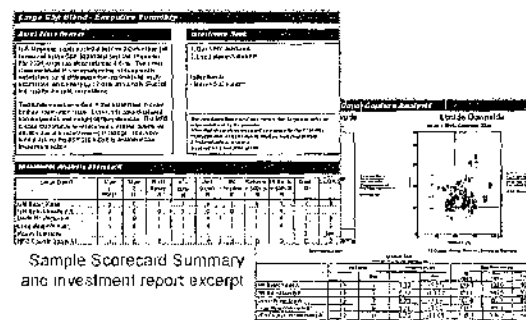
The Scorecard<sup>SM</sup> System methodology incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. The scoring system is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best).

Eighty percent of the fund's score is quantitative, incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). There are eight factors, which are explained on the next page (titled "Quantitative Factors"). Funds are evaluated over a 5 year period unless a fund option in that asset class has less than 5 years but greater than 3 years of performance, in which case the fund with under 5 years of history may be evaluated. Funds with less than 3 years of performance history are omitted from the analysis and removed from consideration.

The other 20% of the score is qualitative, taking into account manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below.

Scorecard Point System	
Good:	9-10 Points
Acceptable:	7-8 Points
Watch List:	5-6 Points
Poor:	0-4 Points





## Evaluation Criteria

### Quantitative Factors (1-8):

- 1) **Style Analysis:** Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.
- 2) **Style Drift:** Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.
- 3) **R-Squared:** Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 80%. This statistic measures whether the benchmark used in the analysis is appropriate.
- 4) **Risk/Return:** Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.
- 5) **Up/Down Capture Analysis:** Measures the behavior of a fund in up and down markets. Fund passes with an up capture > its down capture. This analysis measures the relative value by the manager in up and down markets.
- 6) **Information Ratio:** Measures a fund's relative risk and return. Fund passes if ratio is > 0. This statistic measures the value added above the benchmark, adjusted for risk.
- 7) **Returns Peer Group Ranking:** Fund passes if its median rank is above the 50<sup>th</sup> percentile.
- 8) **Information Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50<sup>th</sup> percentile. This ranking ranks risk adjusted excess return.

Style  
Factors -  
30%

Risk/Return  
Factors -  
30%

Peer Group  
Rankings -  
20%

### Asset Allocation Portfolios

The evaluation criteria utilizes the same metrics as the Core Asset Classes, with the following exceptions. For example, 1) Risk Level, below, replaces 1) Style Analysis, left.

- 1) **Risk Level:** The fund's standard deviation is measured against the category it is being analyzed in. The fund passes if it falls within the range for that category.
- 2) **Style Diversity:** Fund passes if it reflects appropriate style diversity (returns-based) among the four major asset classes (Cash, Fixed Income, U.S. & International Equity) for the given category.
- 3) **R-Squared:** Measures the % of a fund's returns that are explained by the benchmark. Fund passes with an R2 > 90%.
- 8) **Sharpe Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50<sup>th</sup> percentile. This ranking ranks risk adjusted return.

### Qualitative Factors (9-10):

- 9-10) **Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered.**  
  
It is important to take into account non-quantitative factors, which may impact future performance.

Qualitative  
Factors -  
20%

## Disclosures and Notes

- Some funds, accounts, or share classes used in the enclosed analysis may not be available for investment. Performance history prior to inception (if applicable) reflects another share class or account reflecting the advisor's historical performance record.
- Investment objectives and strategies vary among fund, and may not be similar for funds included in the same asset class.
- *Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.*
- The performance data quoted may not reflect the deduction of additional fees, if applicable. If reflected, additional fees would reduce the performance quoted.
- Performance data is subject to change without prior notice.
- Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.
- The information used in the analysis has been taken from sources deemed to be reliable, including, third-party providers such as Zephyr, Morningstar, firms who manage the investments, and/or the retirement plan providers who offer the funds.
- Every reasonable effort has been made to insure completeness and accuracy; however, the final accuracy of the numbers and information is the responsibility of the investment manager(s) of each fund and/or the retirement plan providers offering these funds. Discrepancies between the figures reported in this analysis, and those reported by the actual investment managers and/or retirement plan providers, may be caused by a variety of factors, including: Inaccurate reporting by the manager/provider; Changes in reporting by the manager/provider from the time this report was prepared to a subsequent retro-active audit and corrected reporting; Differences in fees and share-classes impacting net investment return; and, Scriveners error by 401(k) Advisors preparing this report.
- Fund scores will change as the performance of the funds change and as certain factors measured in the qualitative category change (e.g., manager tenure). Fund scores are not expected to change dramatically from each measured period, however, there is no guarantee this will be the case. Scores will change depending on the changes in the underlying pre-specified Scorecard factors.
- Neither past performance or statistics calculated using past performance are a guarantee of a fund's future performance. Likewise, a fund's score using 401(k) Advisor's Scorecard<sup>SM</sup> System does not guarantee the future performance or style consistency of a fund.
- The purpose of this report is to assist fiduciaries in selecting and monitoring investment options. A fund's score is meant to be used by the plan sponsor and/or fiduciaries as a tool for selecting the most appropriate fund.
- 401(k) Advisors, a registered investment advisor, prepared this report and believes that this information is relevant to the plan sponsor as the plan sponsor makes investment selections.
- Fund selection is at the discretion of the investment fiduciaries, which are either the plan sponsor or the committee appointed to perform that function.
- Index funds and select Specialty funds are not scored by the Scorecard<sup>SM</sup> System.
- The enclosed Investment Due Diligence report, including the Scorecard<sup>SM</sup> System, is intended for plan sponsor and/or institutional use only. The materials are not intended for participant use.
- The enclosed Investment Due Diligence report and Scorecard is not an offer to sell mutual funds. An offer to sell may be made only after the client has received and read the appropriate prospectus.
- For a copy of the most recent prospectus, please contact your Investment Advisor/Consultant.
- For the most current month-end performance, please contact 401(k) Advisors at (800) 959-0071.

The Scorecard<sup>SM</sup> System was developed and created by 401(k) Advisors, Inc. Patent Pending. © 2007 All rights reserved. 401K-1101