



Investment Policy Statement

Sample Company, Inc. 401(k) Plan

A Corporate Defined Contribution Plan

Effective January 1, 2026

**By the Sample Company, Inc.
401(k) Plan Administrative Committee**

This Investment Policy Statement is not a contract. Any change to this policy should be communicated in writing and on a timely basis to all interested parties. If any term or condition of this Investment Policy Statement conflicts with any trust and/or plan document, the Plan document shall control. It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

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Executive Summary

Plan Sponsor:	Sample Company, Inc.
Name of Plan:	Sample Company, Inc. 401(k) Plan
Type of Plan:	Defined Contribution with 401(k) Provision
Plan IRS Tax Identification	123-1234567
Current Assets	\$24,453,000 (as of January 1, 2026)
Participant-Directed Investment Options:	Intends to be ERISA section 404(c) compliant

Selected Asset Classes:

- Money Market
- Intermediate-Term Bond
- World Bond
- Emerging Markets Bond
- U.S. Large Cap Blend
- U.S. Small Blend
- Foreign Large Blend
- Foreign Small/Mid Growth
- Diversified Emerging Markets
- Global Real Estate
- Retirement Income
- Target Date 2020
- Target Date 2025
- Target Date 2030
- Target Date 2035
- Target Date 2040
- Target Date 2045
- Target Date 2050
- Target Date 2055
- Target Date 2060
- Target Date 2065
- Target Date 2070+

Background

The Sample Company, Inc. 401(k) Plan (“Plan”) is a qualified retirement plan covered under the Employee Retirement Security Act of 1974 (“ERISA”) as amended. The plan is intended to provide the employees of Sample Company, Inc. a retirement benefit.



Purpose

The purpose of this Investment Policy Statement (“IPS”) is to assist the Sample Company, Inc. 401(k) Plan Administrative Committee (“Committee”) in effectively supervising, monitoring and evaluating the investment alternatives available to the Plan Participants who direct the investment of their account balances in the Sample Company, Inc. 401(k) Plan (“Plan”). The Committee will discharge its responsibilities under the Plan solely in the interests of Plan participants and their beneficiaries. The Plan's investment program is defined in the various sections of this IPS by:

1. Stating in a written document the Committee's objectives and guidelines with respect to the designated investment alternatives in the Plan.
- 2.. Encouraging effective communications between the Committee and service vendors by stating the responsibilities of the Committee, the Custodian, the Investment Adviser, and any Investment Managers.
3. Establishing the number and characteristics of offered investment options.
4. Describes criteria and procedures for selecting, monitoring, and, if appropriate, replacing investment options.
5. Identifies the qualified default investment alternative (“QDIA”) selected by the Plan’s fiduciaries as the default investment for participants and beneficiaries who do not direct the investment of their Plan account.

This IPS has been formulated, based upon consideration by the Committee of the financial implications of a wide range of policies, and describes the prudent process the Committee deems appropriate. It is intended that this investment policy statement be reviewed and updated periodically and, if appropriate, can be amended any time there are significant changes in the capital markets, plan participant objectives, or other factors relevant to the plan.

Statement of Objectives

The purpose of the plan is to encourage employees to build long-term savings by providing eligible employees with a convenient way to save on a regular and long-term basis for retirement.

Employee contributions are made through payroll deductions each payroll period and

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remitted to the administrator for investment into the employee designated investment options. The Company has elected to adopt ERISA section 404(c) provisions.

This IPS describes the prudent process the Committee deems appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer participants a sufficient level of overall diversification and total investment return over the long-term. The objectives are to:

1. Design a prudent process for vendor selection and on-going monitoring;
2. Maintain flexibility in meeting the future needs of the participants;
3. Provide a reasonable return within prudent levels of risk by providing investment options that cover a broad range of risk and return characteristics;
4. Control costs of the administration and investments of the plan as appropriate;
5. Undertake all transactions solely in the interest of the participants and beneficiaries;
6. Enable participants to exercise investment control;
7. Make available investment education to participants; and
8. Comply with ERISA section 404(c) provisions.

Duties and Responsibilities

Administrative Committee

As fiduciaries under the Plan, the primary responsibilities of the Committee are to:

1. Provide sufficient asset classes with different and distinct risk/return profiles so each participant can prudently diversify his/her account;
2. Prudently select investment options;
3. Review all investment, record keeping and administrative expenses associated with the Plan on a regular basis;
4. Monitor and supervise all service vendors and investment options with the assistance of the Plan's independent Investment Advisor; and
5. Avoid prohibited transactions and conflicts of interest.

The Committee will meet at least semi-annually. The chair, or any two committee

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members, may call additional meetings on not less than ten (10) days written notice. A meeting may be called on less notice if the members waive such notice. Members may attend the meeting in person or by electronic means which permits interaction among the members. Quorum for meetings shall be a majority of the members of the Committee. Others may attend the meeting at the request of the Committee. Actions of the Committee shall be taken by majority of the members present at the meeting.

As of the adoption date of this Investment Policy Statement the Administrative Committee consists of:

Committee Members:

Name	Position/Title
John Smith	Chief Executive Officer
Don Jones	Chief Financial Officer
Betty Doe	HR Director

The Committee Members may change and will be noted by an amendment to this Investment Policy Statement.

Custodian

Custodians are responsible for the safekeeping of the Plan's assets. The specific duties and responsibilities of the custodian are:

1. Maintain portfolio by legal registration;
2. Value the holdings;
3. Collect all income and dividends owed to the Plan;
4. Settle all transactions (buy-sell orders); and
5. Provide quarterly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Plan since the previous report.

Investment Consultant

The Committee may retain an objective, independent Investment Consultant to assist

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the Committee in managing the overall investment process. The Investment Consultant will be responsible for guiding the Committee through a disciplined and rigorous investment process to enable the Committee to meet the fiduciary responsibilities outlined above. The Investment Consultant will not take title to any assets or exercise discretionary control over any of the Plan's assets. The specific duties and responsibilities of the investment consultant, as an ERISA fiduciary, are:

1. Designing, recommending, and implementing appropriate investment categories and options consistent with the investment objectives, guidelines, and constraints of the Plan outlined in this statement;
2. Advising the Committee about the selection of the investment categories;
3. Identifying specific investment options within each investment category;
4. Monitoring the performance of all selected investment options;
5. Recommending changes to any of the above;
6. Periodically reviewing the suitability of the investment categories and investment options for the Committee and being available to meet with the Committee at least quarterly, and being available at such other times within reason at the Committee's request;
7. Preparing and presenting appropriate reports; and
8. Communicating to the Committee all significant changes pertaining to the investment options in the Plan. Changes in ownership, organizational structure, and professional staff are examples of changes to an investment option and/or its sponsoring firm in which the Committee is interested.

As of the adoption date of this Investment Policy Statement the Investment Consultant is Castle Rock Investment Company. The Investment Consultant may change and will be noted by an amendment to this Investment Policy Statement.

Investment Managers

As distinguished from the Committee and Consultant, who are responsible for managing the investment process, Investment Managers are responsible for making

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investment decisions (security selection and price decisions) within the investment options (mutual funds) that are made available to participants and beneficiaries. The individual mutual funds have sole discretion in retaining Investment Managers for their portfolios. They are employed by the mutual funds and are expected to perform the duties listed below. The specific duties and responsibilities of each investment manager are:

1. Manage the assets under their supervision in accordance with the guidelines and objectives outlined in their respective Service Agreements, Prospectus and/or Trust Agreement;
2. Exercise full investment discretion with regard to buying, managing, and selling assets held in the portfolios; and
3. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like retirement Plans with like aims in accordance and compliance with ERISA and all applicable laws, rules, and regulations.

Asset Class Guidelines

The Committee believes long-term investment performance, in large part, is primarily a function of asset class mix. The Committee has reviewed the long-term performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

Historically while interest-generating investments, such as bonds, have the characteristics of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, the Committee, with the assistance of the Investment Consultant, will determine if the investment alternatives offered under the Plan are sufficient to allow participants sufficient options utilizing the asset classes selected:

Money Market
Intermediate-Term Bond
World Bond
Emerging Markets Bond
U.S. Large Cap Blend

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U.S. Small Blend
Foreign Large Blend
Foreign Small/Mid Growth
Diversified Emerging Markets
Global Real Estate
Retirement Income
Target Date 2020
Target Date 2025
Target Date 2030
Target Date 2035
Target Date 2040
Target Date 2045
Target Date 2050
Target Date 2055
Target Date 2060
Target Date 2065
Target Date 2070+

From time to time, it may be desirable to amend the investment categories offered under the Plan. When such changes are made, updates will be attached to this IPS as an amendment and will be considered part of this Investment Policy Statement. The Committee may or may not offer an investment option in each investment category listed above. If within a certain investment category there are no investment options available to the Plan that satisfy the “Investment Option Selection” criteria listed below, the Committee reserves the right to defer providing, or determine not to provide, an investment option for that particular investment category unless and until a suitable option is recommended by the Investment Consultant to the Committee.

Investment Option Selection

Each investment option will be chosen on the basis of its compatibility with Plan objectives and Participant demographics. The Committee will apply the following due diligence criteria in screening each investment option.

1. *Regulatory oversight:* Each investment option should be managed by: (a) a bank; (b) an insurance company; (c) a registered investment company (mutual fund); or, (d) a registered investment adviser.
2. *Correlation to style or peer group:* The investment option (other than multi-asset class options, like target date funds) should be highly correlated to the asset class being implemented. This is one of the most critical parts of the analysis since most of the remaining due diligence involves comparisons of the investment option to the

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appropriate peer group. The fund's category and current style box should be the same.

3. *Performance relative to a peer group*: The investment option's performance should be evaluated against the peer group's median manager return, for 1-, 3- and 5-year cumulative periods. Performance should be above the peer group median for 1-, 3- and 5-year cumulative periods.

4. *Performance relative to assumed risk*: The investment option's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the peer group's median manager's risk-adjusted performance. The fund's Alpha and Sharpe Ratio should be above the peer group's median.

5. *Minimum track record*: The investment option should have sufficient history so that performance statistics can be properly calculated. The product's inception date should be greater than three years.

6. *Assets in the product*: The investment option should have sufficient assets so that the portfolio manager can properly trade the account. An investment option should have at least \$75 million under management (can include assets in related share classes).

7. *Holdings consistent with style*: The underlying securities of the investment option should be consistent with the associated broad asset class. At least 80% of the underlying securities should be consistent with the broad asset class. For example, a Large-Cap Growth product should not hold more than 20% in cash, fixed income and/or international securities.

8. *Expense ratios/fees*: The investment option's fees should be fair and reasonable. Fees should not be in the bottom quartile (most expensive) of the peer group.

9. *Stability of the organization*: There should be no perceived organizational problems. The same investment management team should be in place for at least two years (waived for a new class of shares of an existing portfolio or passively managed index fund).

10. *Multi-asset class investments*: For multi-asset class investment options, such as target date funds, the asset allocation and glide path should be evaluated taking into account factors such as generally accepted investment theories and prevailing investment industry practices, and goals of the plan, the philosophy of the fiduciaries regarding asset class diversification and the desired relationship of risk (or volatility) and potential return, and the needs and abilities of the participants and beneficiaries. The Company or Committee will engage in a process to identify and consider those goals, preferences, needs and abilities and to select a default investment consistent with that analysis.



Investment Option Monitoring

Performance Objectives

The Committee acknowledges fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Committee intends to evaluate investment performance from a long-term perspective.

The Committee is aware the ongoing review and analysis of the investment options is just as important as the due diligence process implemented during the manager selection process. The performance of the investment options will be monitored on an ongoing basis, and the Committee has discretion to take corrective action by replacing a fund if it deems it appropriate to do so at any time.

On a timely basis, but not less than annually, the Committee will meet to review whether each investment option continues to conform to the search criteria outlined in the Investment Option Selection section above, specifically:

1. The investment option's adherence to investment guidelines;
2. Material changes in the investment option's organization, investment philosophy and/or personnel; and,
3. Any legal, SEC and/or other regulatory agency proceedings affecting the investment option's organization.

The Committee will document its decisions and keep minutes of its meetings.

Benchmarks

The Committee has determined it is in the best interest of the Plan's Participants that performance objectives be established for each investment option. Manager performance will be evaluated in terms of an appropriate market index (e.g. the S&P 500 stock index for large-cap domestic equity manager) and the relevant peer group (e.g. the large-cap growth mutual fund universe for a large-cap growth mutual fund).

Peer Group

Stable Value

Intermediate-Term Bond

Index

US Treasury T-Bill Cnst Mat Rate 3 Year

Bloomberg Barclays Cptl US Govt/Cr 5-10 Year

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Emerging Markets Bond	JPM EMBI Global TR USD
U.S. Large Cap Blend	Russell 1000
U.S. Small Blend	Russell 2000
Foreign Large Blend	MSCI All Country World Index Ex USA
Foreign Small/Mid Growth	MSCI All Country World Index Ex USA
Diversified Emerging Markets	MSCI Emerging Market
Global Real Estate	MSCI World/Real Estate NR USD
Retirement Income	Morningstar Lifetime Moderate Income
Target Date 2020	Morningstar Lifetime Moderate 2020
Target Date 2025	Morningstar Lifetime Moderate 2025
Target Date 2030	Morningstar Lifetime Moderate 2030
Target Date 2035	Morningstar Lifetime Moderate 2035
Target Date 2040	Morningstar Lifetime Moderate 2040
Target Date 2045	Morningstar Lifetime Moderate 2045
Target Date 2050	Morningstar Lifetime Moderate 2050
Target Date 2055	Morningstar Lifetime Moderate 2055
Target Date 2060	Morningstar Lifetime Moderate 2060
Target Date 2065	Morningstar Lifetime Moderate 2065
Target Date 2070+	Morningstar Lifetime Moderate 2070+

Watch List Procedures

An investment option may be placed on a Watch List or replaced when:

1. An investment option performs below median for their peer group over a 1-, 3- and/or 5-year cumulative period.
2. An investment option's 3-year risk adjusted return (Alpha and/or Sharpe) falls below the peer group's median risk adjusted return.
3. There is a change in the professionals managing the investment option.
4. There is a significant decrease or increase in the investment option's assets.
5. There is an indication the investment option is deviating from the stated style and/or strategy.
6. There is an increase in the investment option's fees and expenses without meeting reasonableness requirements.
7. Any extraordinary event occurs that may interfere with the investment option's

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ability to prudently manage investment assets.

The decision to retain or terminate an investment option cannot be made by a formula. It is the Committee's decision to retain or eliminate a particular investment based on a review of all the facts and circumstances listed above, the Investment Consultant's recommendation, and the Committee's confidence in the investment option's ability to perform in the future that ultimately determines the retention of an investment option.

Use of a QDIA (Qualified Default Investment Alternative)

In the event that a participant with an account balance does not make an investment election in a timely manner, such participant's account will be invested in the default option selected by the Committee pursuant to the "safe harbor" requirements of a QDIA.

The default option(s) is to be a target date fund (or a series of funds) diversified so as to minimize the risk of large losses. The QDIA is to be designed to provide long-term appreciation and capital preservation through a mix of fixed income and equity exposures consistent with a target level of risk appropriate for the participant based upon their age.

The selection and monitoring of the QDIA will follow the same due diligence procedures defined for Investment Managers in this IPS.

Designation of Default Investment

The Committee, as the Plan's investment fiduciary, selects _____ as the default investment for participants and beneficiaries who do not provide investment directions for their accounts. The designated default investment is intended to satisfy the requirements for a qualified default investment option under ERISA §404(c)(5).

Measuring Costs

The Committee will review, at least annually, all costs associated with the management of the Plan's investment program, including:

1. Expense ratios of each investment option against the appropriate peer group.
2. Administrative Fees; costs to administer the Plan, including: (a) record keeping; (b) custody; (c) trust services; and (d) participant education.



3. In the case of investment options that have revenue sharing (12b-1, Sub TA, and/or finder's fees), the proper identification and accounting of all parties receiving fee revenue.
4. The review shall be geared to a determination of reasonableness and necessity with respect to all fees being charged by the Plan's investments and covered service providers.

Review of the IPS

The Committee will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

_____ made a motion to adopt this Investment Policy Statement effective January ____, 2026. _____ seconded the motion and the motion passed with unanimous vote on January ____, 2026.