



COBRA GENERAL RIGHTS NOTICE

By law, Capital One is required to notify you of your COBRA rights. Outlined below is important information regarding the Consolidated Omnibus Budget Reconciliation Act (COBRA), which allows employees and dependents to continue group health coverage for a specified time period when their health coverage ends. Please review this information carefully.

There is nothing you need to do at this time. This information is for your records in the event your coverage should end in the future.

On April 7, 1986, a federal law called COBRA was enacted (Public Law 99-272, Title X), requiring that most employers sponsoring group health plans offer employees and their families (qualified beneficiary/ies) the opportunity for a temporary extension of health coverage at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights as a qualified beneficiary and obligations under COBRA. Both you and your spouse, if applicable, should take the time to read this notice carefully. This notice does not fully describe COBRA or other rights under the Capital One group health plan ("Group Health Plan"). For additional information you should review the Group Health Plan's "Summary Plan Description" or contact the Capital One Benefits Center at 1-888-376-8836, with any questions, Monday through Friday during the hours of 8:00 AM to 5:00 PM ET. Also, you may visit the Department of Labor website (www.dol.gov) for more information on COBRA.

QUALIFYING EVENTS

If you are an employee of Capital One covered by the Group Health Plan, you have a right to choose COBRA if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by the Group Health Plan, you have the right to choose COBRA for yourself if you lose group health coverage under the Group Health Plan for any of the following reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment with Capital One;
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by the Group Health Plan, he or she has the right to choose COBRA if the Group Health Plan is lost for any of the following reasons:

1. The death of the employee;
2. A termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment with Capital One;
3. The employee's divorce or legal separation;
4. The employee became entitled to Medicare prior to his/her qualifying event; or



5. The dependent child ceases to be a dependent child under the Group Health Plan.

Sometimes, filing a bankruptcy under Title 11 of the United States Code can be a qualifying event. When applicable, if a proceeding in bankruptcy is filed with respect to Capital One and that bankruptcy results in the loss of coverage of any retired employee under the Group Health Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Group Health Plan.

COVERAGE PROVIDED

Under COBRA, the employee or a family member has the responsibility to inform the Capital One Benefits Center of a divorce, legal separation, or a child losing dependent status under the Group Health Plan within 60 days of the date of the event. Capital One has the responsibility to notify the administrator of the employee's death, termination, and reduction in hours of employment or Medicare entitlement. When the administrator is notified that one of these events has happened, the administrator will in turn notify you that you have the right to choose COBRA. Under COBRA, you have at least 60 days from the later of the date you would lose coverage because of one of the qualifying events described above or the date of notification of your rights under COBRA, whichever is later, to inform the Capital One Benefits Center that you want to continue coverage under COBRA.

If you elect COBRA, Capital One is required to give you and your covered dependents, if any, coverage that is identical to the coverage provided under the plan to similarly situated employees or family members. Under COBRA, you may have to pay all or part of the premium for your continuation coverage. If you do not choose COBRA on a timely basis, your group health insurance coverage will end.

PERIOD OF COVERAGE

COBRA requires that you be afforded the opportunity to maintain coverage for 36 months unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required COBRA period is 18 months. Also, if you or your spouse gives birth to or adopts a child while on COBRA, you will be allowed to change your coverage status to include the child. The 18-month period may be extended to 29 months if an individual is determined by the Social Security Administration (SSA) to be disabled (for Social Security purposes) as of the termination or reduction in hours of employment or within 60 days thereafter. To benefit from this extension, a qualified beneficiary must notify the Capital One Benefits Center of that determination within 60 days and before the end of the original 18-month period. The affected individual must also notify the Capital One Benefits Center within 30 days of any final determination that the individual is no longer disabled. If the original event causing the loss of coverage was a termination (other than for gross misconduct) or a reduction in hours, another extension of the 18-month continuation period may occur, if during the 18 months of COBRA coverage, a qualified beneficiary experiences certain secondary qualifying events:

1. Divorce or legal separation
2. Death
3. Medicare Entitlement
4. Dependent child ceasing to be a dependent

If a second qualifying event does take place, COBRA provides that the qualified beneficiary may



be eligible to extend COBRA up to 36 months from the date of the original qualifying event. If a second qualifying event occurs, it is the qualified beneficiary's responsibility to inform the Capital One Benefits Center within 60 days of the event. In no event, however, will COBRA last beyond three years from the date of the event that originally made the qualified beneficiary eligible for COBRA.

HEALTH CARE FSA INFORMATION

COBRA coverage under the Capital One Healthcare FSA will be offered only to Qualified Beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for the Capital One Healthcare FSA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Capital One Healthcare FSA coverage in force at the time of the qualifying event. The use- it or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and the COBRA coverage for the FSA plan will terminate at the end of the plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the Capital One Healthcare FSA will be covered together for Healthcare FSA COBRA coverage. However, each qualified beneficiary could alternatively elect separate COBRA coverage to cover that beneficiary only with a separate Healthcare FSA annual limit and a separate premium. If you are interested in this alternative, contact the Capital One Benefits Center at 1-888-376-8836, with any questions, Monday through Friday during the hours of 8:00 AM to 5:00 PM ET for more information.

ALTERNATE RECIPIENTS UNDER QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by Capital One during the covered employee's period of employment with Capital One is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

PLAN CONTACT INFORMATION

To ensure that all covered individuals receive information properly and timely, it is important that you notify the Capital One Benefits Center at 1-888-376-8836, of any change in dependent status or any address change of any family member as soon as possible. Certain changes must be submitted to us in writing. Failure on your part to notify us of any changes may result in delayed notification or loss of continuation of coverage options.

If you have any questions about COBRA, please contact the Capital One Benefits Center at 1-888-376-8836 during the hours of 8:00 AM to 5:00 PM ET.

Sincerely,

Capital One Benefits Team