Domestic Relocation

Homeowner Policy: Buyer Value Option (BVO)

Capital One®

TABLE OF CONTENTS

Relocation Guide	2
Plus Relocation: Our Service Partner	2
Program Administration	3
Eligibility - Associate	3
Time Frame to complete Your Relocation	3
Your relocation benefit selection tool	3
Expense Reimbursement	4
Repayment Agreement	4
Cash in Lieu of Benefits	4
Home Sale Overview	5
Home Sale Eligibility	5
Real Estate Agent Selection	6
Home Marketing Assistance	6
Determining a Bona Fide Offer	7
Inspections	8
Disclosure	8
Reimbursement of Home Sale Closing Costs for Ineligible Properties	9
Equity Advance	9
Tax Assistance	10
Tax Consideration	10
Sample Repayment Agreement	11

Congratulations on your upcoming relocation with Capital One! This is an exciting time for you and your family. It's also a challenging time as you prepare for the change. The objective of Capital One's relocation program is to provide associates and their families with the services and assistance necessary to help them relocate in a timely, cost-effective manner. Capital One is committed to minimizing the many stressful events and financial strains that relocation can cause. Moving can be a challenge and we're committed to ensuring our service partners meet or exceed our own high standards for efficient, customer-oriented service to ensure a smooth relocation experience.

Relocation Guide

Capital One wants your transition to be as smooth as possible. Therefore, we've prepared this relocation guide to assist you and your family through the relocation process. Please read through this relocation guide before taking any action regarding your relocation.

Plus Relocation: Our Service Partner

We recognize relocating may produce some unexpected expenses and challenges. To assist in meeting these challenges, we provide professional assistance to guide you, and financial assistance to help with your move. To that end, Capital One is proud to partner with a global leader in relocation, Plus Relocation Services (Plus). Plus assists thousands of relocating employees around the world every year.

Your Plus Relocation team will coordinate all aspects of your move and answer any questions you may have along the way. You will also be assigned a Home Sale Counselor at Plus who will guide you through the Buyer Value Option (BVO) program and assist in the sale of your home. Don't hesitate to call your Plus Relocation team or Home Sale Counselor at any time with questions or concerns. In fact, we urge you to read this guide thoroughly and solicit answers to your questions before beginning your relocation and before incurring any expenses.

Responsibilities

Throughout your relocation, there are numerous personal, legal and tax issues to be considered. Making well-informed decisions requires an understanding of Capital One's relocation guide and your role in the process. Please take the time to read this guide carefully and discuss any questions with your Plus Relocation team.

Your active participation in the relocation process is critical, and may include:

- Providing accurate and timely information and documentation
- Completing expense reports and submitting travel itineraries
- Making necessary home repairs
- Keeping your home available for showings to potential buyers
- Finding cost effective solutions and staying within credit parameters
- Working with your Plus Relocation team and asking for clarification at any time
- Being mindful of Capital One values

Program Administration

This guide details the relocation procedures for associates relocating at Capital One's request. Capital One reserves the right to modify, revise, delete or amend any portion of this guide without prior written notice.

Coverage within this guide requires the approval of the business unit VP+ and Human Resources. Capital One's Human Resources Department must authorize the relocation by submitting a relocation authorization to Plus. Upon receipt of the authorization, you will receive a welcome email introducing you to Point C™, your relocation benefit selection tool, through which you can begin to customize your relocation journey.

All requests for information or services other than questions about the relocation services should be directed to the Domestic Relocation Team by contacting RelocationUSDomestic@capitalone.com.

Eligibility - Associate

Relocation benefits identified in this guide are applicable only to associates who are homeowners in the present location. You are eligible for relocation assistance described herein if:

- You are a current, full-time associate or newly hired associate authorized by Capital One to receive relocation
- You are requested to relocate by Capital One and designated to receive these benefits
- All reimbursable relocation expenses should be incurred within 12 months of the official transfer date
- The distance between the former home and the new work location should be 50 miles greater than the distance between the former home and the old work location

Capital One will have the absolute right at any time to revise and, if necessary, to amend, suspend or terminate all or parts of this guide. This guide shall not be considered or construed as an employment contract and does not confer upon you any right to continued employment, nor does it supersede any other employment administration practice.

The guide DOES NOT apply to employee-initiated relocations or temporary employees.

Time Frame to complete Your Relocation

The relocation process and all requests for reimbursements should be completed no later than one (1) year after the associate's effective date in the new location unless otherwise stated in this guide. ***Effective date is the date the associate starts the new position as posted in Workday, Capital One's HR system of record.***

Point C - Your relocation benefit selection tool

To help support you during your move, you will have access to Point C, your relocation benefit selection tool. With Point C, you'll be able to review and select the benefits that best fit your needs. Point C offers you the:

- Choice to select the benefits you need to create the move experience you want
- Control to select and change benefits any time throughout your move
- Care and support of Capital One and Plus Relocation, from providing quality supply chain partners to offering move benefit counseling

Planning your move can sometimes be overwhelming, which is why Capital One also offers an initial call with a member of your Plus Relocation team prior to your acceptance of your new role to talk through your thoughts, review your options and provide assistance.

To review details related to the benefits you select in Point C, you will also be given access to Elo[SM] for Employees. While you select your benefits in Point C, you'll be managing the specifics of your benefits and submitting your expenses in Elo for Employees. This includes:

- Submitting and tracking expense reimbursement (if applicable)
- Contact information and access to each of their move team members (temporary housing, household goods, destination services, etc.)
- Review checklists, outstanding tasks, and relocation reminders
- Access move details like household good dates or temporary housing address
- Peruse "Info to Know" to documents and resources to learn more about your new area and what to expect throughout the move

Record Keeping

The tax ramifications involved with relocation require very careful record keeping by you and Capital One. You are encouraged to keep records and receipts of all your expenses.

Some benefits found in Point C will be paid directly by Capital One on your behalf. Invoices for these services will be processed by Plus and paid by Capital One.

Expense Reimbursement

Where applicable, you may request expense reimbursement for out-of-pocket expenses by submitting your expenses online at Elo for Employees.

Plus can make reimbursements by check, wire transfer (international), or by electronic funds transfer (EFT). To ensure accurate reimbursement, you should indicate exactly how and where you want your reimbursements made online. This is important, since your address or account information may change during your relocation.

To ensure full reimbursement, it is important remember:

- Relocation expenses are separate and distinct from business expenses
- A receipt is required for any item over $75
- Expenses must be submitted within 30 days of occurrence
- Expenses outside of the benefits selected in Point C, will be denied
- **Do not submit relocation expenses on the Business Expense Form**
- **Do not submit relocation expenses through a Capital One Travel & Expense Report**

All records and receipts should be accurately kept to comply with tax regulations and to ensure timely payment of relocation expenses.

Repayment Agreement

Because Capital One incurs significant costs to relocate associates, you will be required to sign the Associate Repayment Agreement before receiving your relocation benefits. By executing this agreement, you agree to repay Capital One the prorated costs of your relocation if you voluntarily resign or are terminated for cause within 24 months of the effective date of your new work assignment. You will be liable to repay all relocation benefits paid by Capital One based on the repayment schedule. Furthermore, all reimbursements under this guide, including any submitted but not yet reimbursed pending tax gross-ups, cease as of the date of termination.

Cash in Lieu of Benefits

Relocation is a significant cost to the company. The benefits, allowances and reimbursements available to you through Point C are intended to address specific needs an associate has when relocating. This guide also applies in terms of entire benefit swaps for cash. No cash will be issued in lieu of benefits.

Home Sale Overview

Capital One offers a comprehensive program through Plus to assist in the sale of your residence to a qualified outside buyer. Capital One will pay all reasonable and customary seller expenses associated with selling and closing your home.

Selling your home is an important financial decision for both you and Capital One. It is in your best interest to actively market your residence, get the best possible price and sell it as quickly as possible to begin the process of buying your new home. This program consists of:

- Real Estate Agent Selection
- Marketing Assistance
- Buyer Value Option Program for eligible properties
- Direct Reimbursement of Home Sale closing costs for ineligible properties

Home Sale Eligibility

To be eligible for Capital One's Home Sale Program, your home must be a single-family residence which is used as your principal residence. Eligibility of properties located within a Home Owners Association may require an initial questionnaire to be completed by the Home Owners Association management company to determine any eligibility concerns within the relocation home sale process. Please contact your Home Sale Counselor for more information.

Properties may be deemed ineligible if Capital One determines a property has severe marketability or repair conditions as a result of the agent and/or inspector reports. Other examples of ineligible properties include but are not limited to the following:

- A cooperative apartment
- A mobile home or a manufactured housing unit
- Homes listed on local historical registries
- Homes atypical in style, design and price for the geographic area in which the home is located
- Acreage in excess of a normal lot size typical for the geographic area in which the home is located but in no event in excess of five (5) acres
- Ranches, vacant lots and farmland
- Any home involved with bankruptcy or a short sale
- Any home which cannot be financed by a lending institution
- Any home which all or a portion of is incomplete
- Any home in which a part is used for non-residential purposes
- Any home built on or in close proximity to a hazardous site/location or with hazardous or potentially hazardous or toxic substances, mold, materials, chemicals or gases including but not limited to radon gas, urea formaldehyde foam insulation (UFFI), asbestos, lead-based paint and chlordane (in excess of the legal limit established by the EPA or other pertinent regulatory agency)
- Any home built with materials included in an adjudicated or pending class action lawsuit
- Any home with an exterior finish commonly known as "synthetic stucco", also referred to as Exterior Insulation and Finish Systems (EIFS), or hybrid stucco
- Any home in which the associate cannot provide clear title
- Income property, including but not limited to farms, businesses, investment properties, etc.
- Any home currently in possession of a tenant, where vacancy cannot be achieved within 30 days of offer date by the third-party home sale company
- Any home in which insurance is not available at standard rates for normal hazards of flood or fire and extended coverage
- A houseboat or other watercraft

In the event your home is not eligible for Home Sale Assistance, you may be reimbursed for normal and reasonable selling costs associated with the sale of your property. Please refer to "Reimbursement of Home Sale Closing Costs for ineligible properties". Under these circumstances, you will not be eligible to receive an equity advance.

Real Estate Agent Selection

Home Marketing Assistance is designed to assist you in finding a buyer for your home. You are required to use Plus's Marketing Assistance to be eligible for the Home Sale Program. Please keep in mind Capital One is using Plus's preferred broker partner network. Your utilization of a Plus-approved real estate agent in both the sale and purchase components of your relocation is required. ***Your failure to do so will result in increased costs to Capital One and therefore you may receive reduced relocation benefits.***

Plus will select two (2) local reputable real estate companies from the approved network. If you have a real estate agent that you would like to utilize, who is relocation trained and certified, experienced, knowledgeable of the local market, familiar with relocation procedures, and is willing to agree to the terms and conditions of the Plus broker management agreement, please ask your Home Sale Counselor to consider and qualify this agent. Relatives or part-time agents are not permitted.

It is our policy not to reimburse an associate, immediate family member or other relative for the fees associated with the listing or sale of an associate's property. In addition, family members or relatives should not make home purchase referrals to realtors/agents in the new location. Realtors must either be referred by or pre-qualified by Plus. All relocating homeowners who plan to sell their former home and/or purchase a new home are required to speak with their Home Sale Counselor at Plus before listing their home for sale or initiating contact with any realtors in the new location.

Home Marketing Assistance

The two selected agents will meet with you to inspect your home and talk with you about their qualifications and present their marketing plans. After viewing your home, they will research comparable sales, competing listings, current market conditions, and other data. Plus will assist you in partnering with the real estate agent in developing a marketing strategy that will attract the greatest number of prospective buyers in the time available and to encourage the best offer with the least cost to you.

The real estate agents will send the completed Broker Market Analysis (BMA) to your Plus Home Sale Counselor who will review the results for thoroughness, accuracy, and logic of conclusions and will then review the results with you. The most likely sale prices listed on the BMAs are averaged together and the home will be listed no more than 105% of this average. If the most likely sales prices are not within 5%, a third analysis will be ordered. The two closest most likely sales prices will be averaged, and the home will be listed no more than 105% of this average. Plus will monitor the marketing process providing information to Capital One as appropriate. ***The home must be listed within 30 business days from the date the Home Sale Counselor releases the BMA information to you.***

LIST PRICE EXAMPLE:

Broker Market Analysis (BMA)
Most Likely Sale Price (MLSP)

- BMA #1 MLSP: **$275,000**
- BMA #2 MLSP: **$285,000**

Average: $280,000 x 105% (list price cap) = $294,000
Your initial list price can be no higher than **$294,000**

Prior to listing the property and the initiation of the home sale assistance, you must complete and return Plus's Homeowner Disclosure Statement to your Home Sale Counselor. Plus will conduct ongoing follow up reviews with the chosen real estate agent to ensure that the property continues to receive the attention it needs to be aggressively marketed. In addition, Plus will make recommendations to you on how to effectively market your home and deal with new developments or changes in the market that affect the marketing of the home.

Buyer Value Option Sale

A Buyer Value Option (BVO) occurs when you market the home seeking a bona fide offer from a prospective purchaser in the market place. Once such an offer is received, Plus will make you an offer to purchase the home at the terms established in the "Buyer Value" offer. You then sell the home to Plus based on the terms established in the BVO offer. Plus executes a contract with the outside purchaser and sells to the purchaser for the same price.

The Buyer Value Option Sale allows you and Capital One to receive favorable income tax treatment from the Internal Revenue Service (IRS) for the costs incurred in selling the home. Reimbursable selling costs that would ordinarily be considered taxable income to you are not considered as such under the Buyer Value Option Sale as two separate sales will occur. Typical selling costs are:

- Real estate commission not to exceed local custom
- Owner's title policy (seller portion only)
- Document preparation
- State transfer tax (seller portion only)
- Termite inspection
- Attorney representation fee if customary for location
- Recording fees (seller portion only)

Capital One reserves the right to limit reimbursement of fees to what is normal, reasonable and customary for the area. If you have questions on reimbursable items, you should discuss this with your Home Sale Counselor.

Capital One expects you to accept a reasonable offer during the marketing period.

Determining a Bona Fide Offer

When you receive an offer on your home, contact your Plus Home Sale Counselor immediately. Do not accept any money or sign any contract offers. Your Home Sale Counselor will assist you in determining whether the offer is in your best interest and the terms are acceptable. Items agreed to in the contract but not reimbursable under the program's guidelines will be identified. Examples of non-reimbursable expenses are buyer's closing costs, buyer's inspections, repair allowances, and other items typically paid for by the buyer (sometimes called "negotiable items"). In addition, the sale must be scheduled to close within 60 days.

Once it has been determined that the offer is acceptable, do not sign any documents pertaining to the sale. Plus must sign all documents for IRS tax compliant purposes.

By utilizing the Buyer Value Offer Option, you **do not** need to attend the closing. Plus pays the commission and normal closing costs directly to the appropriate parties on behalf of Capital One.

The purchase agreement ***must not*** include any contingencies other than reasonable financing and/or inspection contingencies.

- The offer cannot be contingent on the sale of the purchaser's home
- The purchaser must provide a pre-approval letter

- The purchaser is required to obtain his or her own financing
- The closing date of the sale must be no later than 60 days from contract execution
- Repairs required by the outside buyer must be completed and issues resolved prior to Plus accepting the outside buyer's offer
- The repairs required by the Plus inspections, must be addressed before the contract between Plus and buyer is considered bona fide and final

Listing Exclusion Clause

The Exclusion Clause Provision must be included in the listing agreement as instructed by Plus to facilitate the Home Sale transaction. Plus will provide an Exclusion Clause to the broker/agent. You should not list your property with the real estate agent without Plus's assistance.

- Plus will register the agent, review the listing agreement and, verify the agent's requested commission percentage does not exceed the local norm
- If you agree to an administrative fee in the listing agreement, it will not be reimbursed
- The Broker Exclusion Clause protects you from having to pay a broker's commission
- The listing agreement should be signed for an initial listing period of no more than 90 days

Inspections

Plus will order inspections concurrently with the Marketing Assistance process. Your Home Sale Counselor will advise you during the initiation call as to the requirements for your home. Inspections may include, but are not limited to:

- Major Component Home Inspection (MCI)
- Roof
- Mechanical
- Structural
- Pool, spa (if applicable)
- Well and septic (if applicable)
- Termite
- Underground storage tank
- Testing for toxic substances (radon, mold)
- Any other inspections pertinent or customary for the area

The inspectors will call you or whomever you designate, to schedule appointments. Please be sure to schedule these inspections within 15 business days of your initial call with your Plus Home Sale Counselor.

The Home Sale Counselor will review the results with you and identify any repairs you must complete prior to contracting with Plus for the sale of your home. ***Any repairs necessary will be your responsibility and expense.***

In most cases, a re-inspection will need to be performed to verify the repair item has been adequately resolved. Therefore, it's critical the repairs and subsequent inspections be completed as soon as possible. Inspection results must be disclosed to all prospective purchasers.

Disclosure

As a home seller, you have an obligation to disclose to prospective buyers, Capital One and Plus directly or through your real estate agent, any condition or fact affecting the home which may be considered by the prospective buyer in making a decision to make an offer or how much to offer. Plus will also ensure your listing agent receives copies of all property inspections to disclose to buyers.

Capital One recommends you disclose any fact or condition which you, acting as a reasonable person, would consider when making the offer or price decision. Failure to disclose material facts or conditions may subject you to liability under state law, regardless of whether you sell the home directly to an individual or to Plus.

If Plus inadvertently, or without proper disclosure information, purchases an ineligible home and Capital One incurs a loss which is the result of your omission of information, you shall, on demand, repay Capital One current and future out-of-pocket expenses, and/or fines paid or to be paid by Capital One with regard to the home.

Disclosure Statements will be included in the initial package you receive from Plus. You must complete these forms and return them to your Plus Counselor along with any other requested documents as soon as possible. ***Receipt of signed disclosures is required prior to disbursement of funds and listing your home.***

Title and Deeds

In order to facilitate the closing of the property, Plus will order a title examination of your home. Title must be in your name only or that of your name and spouse and/or domestic partner. If the title investigation discovers a defect in the title, Capital One may, at its option, terminate the home sale process or require that the title be cleared. The cost to clear up title issues is the responsibility of the homeowner.

You will be receiving a deed package from Plus's designated title company. These documents must be signed and notarized by all property owners. ***Please return these legal documents to the title company as soon as possible.***

Reimbursement of Home Sale Closing Costs for Ineligible Properties

If your property is ineligible for home sale assistance, you may market and sell the home for up to one year from your effective date of transfer to the new location. If you achieve sale, Plus will reimburse real estate agent's commission (not to exceed local custom) and normal seller's closing costs (revenue stamps, document preparation fees, reasonable legal fees and title insurance) up to 9% of the sale price.

You must submit a copy of the fully executed Closing Disclosure to your Home Sale Counselor upon the successful closing of your property. Reimbursement will be processed by Plus. Payment for home sale closing costs are considered taxable income and will be tax assisted.

An equity advance is not available on ineligible properties.

Equity Advance

It is Capital One's intent that you diligently attempt to market and sell your home through the Plus Home Sale Program. Therefore, should you need access to your equity to purchase a home in the destination location during the marketing and/or offer periods you may be eligible for an interest-free equity advance.

Equity advances are only available to associates who list within the Broker Network and fully cooperative with the Marketing and Home Sale programs. Executive officers of Capital One are not eligible for equity advances.

Equity is defined as the Buyer Value sale price minus all outstanding liens and encumbrances. Your net equity will be determined once you and Plus have executed the contract of sale, the title search and inspections are satisfactorily completed. The maximum advance will be equal to the lesser of actual funds required or 90% of the equity in the property based on the Buyer Value sale price. The advance may not exceed the minimum amount required to hold a new residence until the sale of the old home. All funding will be made directly to the local closing office, 24 hours prior to closing on the home purchase.

You must demonstrate need by virtue of home purchase documentation to include:

- Contract of Sale executed with outside buyer
- Clear Title Report
- Copy of the fully executed Purchase Contract provided to Plus

Final Equity Reconciliation

After formal acceptance of the Buyer Value Option Offer, Plus will assume responsibility for all mortgage payments, utilities, and maintenance as of the date of possession.

Possession is defined as the contract date with Plus or the vacate date, whichever is later. All expenses will remain your responsibility *prior* to the possession date.

You will receive your final equity within 10 business days after the Home Sale Counselor has processed the Plus Relocation Services Contract of Sale. Equity is based on the Buyer Value Option offer less all outstanding mortgages, non-reimbursable items and applicable pro-rations for taxes, interest, association dues, and negotiated buyer's closings costs or repairs, home warranty etc.

Additional expenses not covered by Capital One are your responsibility and are due and payable to the carrier prior to or upon delivery of the shipment. You are required to make payment arrangements with the moving company prior to scheduled pack, load and shipment date.

Tax Assistance

Capital One will pay the estimated federal, state, local and FICA tax liability (gross-up) to the appropriate taxing authorities, that arises from the taxable Company paid and reimbursed relocation expenses.

The tax gross-up Capital One provides will be based solely on your company earnings from base salary and commissions (if applicable). If other income (spousal, investment, etc.) increases your overall relocation tax liability, you are responsible for the increased liability. Therefore, you may want to make adjustments to your payroll withholdings on Form W-4 in order to properly plan for any tax liability.

Tax Consideration

Federal Income Tax

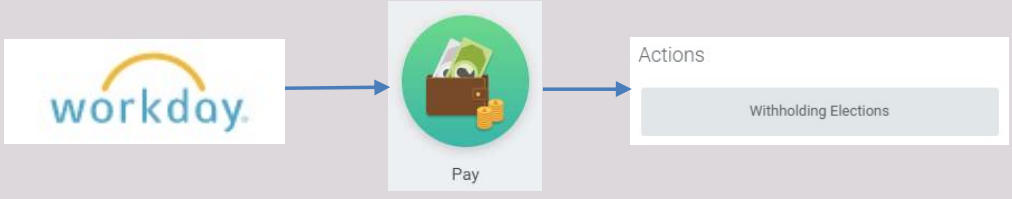
The Federal Income Tax Laws require that relocation expenses paid by an employer to or on behalf of an associate to be reported as income on the associate's W-2 (Wage and Tax Statement) for the year in which the expenses occur. You must report such reimbursements as gross income on your federal, state, and local tax returns.

State Income Tax

State tax obligation begins **when you start to work in the new location**. You must submit a new W-4 upon receiving your temporary living address, as well as your new permanent home address.

How to Update your W4 & State Tax:

Once you begin your relocation and have your temporary address and then your permanent address, you should update your Federal and State tax information in Workday, the HR System of Record. Follow these steps to make these changes:



Sample Repayment Agreement

Below is the repayment agreement new hires and internal transfers are required to sign prior to any relocation benefits being provided. No relocation benefits will be ordered, nor monies paid until the repayment agreement is signed and returned to Plus.

RELOCATION EXPENSE REPAYMENT AGREEMENT

I, _____ ("Associate"), hereby acknowledge that my employer, Capital One, has been/will be reimbursing and/or advancing certain expenses to me and/or to any third parties on my behalf pursuant to Capital One's relocation policy "Relocation Expenses". In consideration of Capital One's payment of such relocation expenses, if I voluntarily terminate my employment from Capital One, or if my employment is involuntarily terminated by Capital One for "Cause", within two years of the effective date of my employment, I will be required and I agree to reimburse Capital One within 90 days of my termination for all expenses related to my relocation. If I receive any relocation benefits prior to my actual start date in the new role, but cease to commence employment with Capital One, I will be required to repay these expenses within 90 days of (1) the date I inform Capital One that I do not wish to accept the role, or (2) my scheduled start date, if later. I hereby agree to repay Capital One those Relocation Expenses hereinafter set forth:

1. If employment termination occurs within the first 6 months after the effective date of my employment at my new work location, then I shall repay to Capital One 100% of such Relocation Expenses; or,
2. If employment termination occurs within 7 to 12 months after the effective date of my employment at my new work location, then I shall repay to Capital One 75% of such Relocation Expenses; or,
3. If employment termination occurs within 13 to 18 months after the effective date of my employment at my new work location, then I shall repay to Capital One 50% of such Relocation Expenses; or,
4. If employment termination occurs within 19 to 24 months after the effective date of my employment at my new work location, then I shall repay to Capital One 25% of such Relocation Expenses.

As to any Relocation Expenses that I become obligated to repay to Capital One hereunder, I agree to repay such Relocation Expenses within 90 days following the effective date of Employment Termination, and I also accept responsibility for any tax liabilities that I may incur as a result of this Agreement. I understand that this agreement will in no way modify my status as an "at will" employee.

My signature below evidences that I have read this Agreement and agree to its terms and conditions.

_____
Associate Name (Please Print)

_____ _____
Associate Signature Date

_____
Witness Name (Please Print)

_____ _____
Witness Signature Date

"Cause" means (i) willful and serious misconduct in the performance of your duties including, without limitation, theft, falsification of documents, mistreatment of other employees, violence, drug or alcohol abuse in the workplace, conduct that violates Capital One's policies against discrimination and/or harassment, and serious acts of insubordination; (ii) a material or repeated violation of any code of conduct, business, compliance, or risk policy or standard of ethics generally applicable to all associates or to associates of your level at Capital One; or (iii) conviction of a felony, or other serious crime involving moral turpitude or breaches of the duties of honesty, fiduciary duty, and/or good faith.