

# Important COBRA Notice

On April 7, 1986, a Federal Law was enacted (Public Law 99-272, Title X) – the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) – requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “Continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end (called “Qualifying events”). This notice is intended to inform you, in a summary fashion, of your rights and obligations with respect to continuation coverage under the CompuCom Group Health Plan (the “Plan”). Both you and your spouse should take the time to read this notice carefully.

If you are an employee of CompuCom (the “Company”) and are covered by the Plan, you have a right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment with the Company 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 Plan, you have the right to choose Continuation coverage for yourself if you lose group health coverage under the Plan for any of the following four reasons:

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

Dependent children of an employee covered under the Plan have the right to choose Continuation coverage if group health coverage under the Plan is lost for any of the five following reasons:

1. The death of a parent;
2. The termination of a parent’s employment with the Company (for reasons other than gross misconduct) or reduction in a parent’s hours of employment with the Company;
3. Parent’s divorce or legal separation;
4. A parent becomes entitled to Medicare; or
5. The dependent ceases to be a “dependent child” under the terms of the Plan.

In addition, there is a right to Continuation coverage for any employee who had retired on or before the date of a substantial elimination of coverage (a “Retiree”) and any spouse or surviving spouse of such

Retiree who was covered under the Plan on the day before a Title 11 bankruptcy proceeding is commenced with regard to the Company, provided there is a loss of group health coverage as a result of the proceeding or there is a substantial elimination of coverage with one year before or after commencement of such proceeding.

Under the law, the employee or family member has the responsibility to inform the Plan Administrator, CompuCom, at 8106 Calvin Hall Road, Fort Mill SC 29707 of a divorce, legal separation, or a child losing dependent status under the Plan, within 60 days if the date event or the date on which coverage would end under the Plan because of the event, whichever is later. The Company has the responsibility to notify the plan Administrator of the employee's death, termination of employment, reduction in hours of employment, or Medicare entitlement. When the Plan Administrator is notified that one of these events has happened, you will in turn be notified that you have the right to choose Continuation coverage. Under the law, you have 60 days for the later of (i) the date you ordinarily would have lost coverage because of one of the events described above, or (ii) the date of the notice of your right to elect Continuation coverage to inform the Plan Administrator that you want Continuation coverage.

If you do not choose Continuation coverage, your group health insurance coverage under the Plan will end.

If you choose Continuation coverage, you are entitled to be provided with coverage that is identical to the coverage being provided under the Plan to similarly situated employees (or their family members). The law requires that you be afforded the opportunity to maintain Continuation coverage for 36 months, unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, you will be afforded the opportunity to maintain Continuation coverage for 18 months. Coverage may be available for 29 months if you have been determined to be disabled (within the meaning of the Social Security Act) as of the date you were terminated or experienced a reduction in hours and if you timely notify the Plan Administrator with 60 days of such determination (and within the 18 month Continuation coverage period). In case of a Retiree or an individual who was covered surviving spouse of a Retiree on the day before the Title 11 filing, coverage may continue until death and in the case of the spouse or dependent child of a Retiree, 36 months after the date of death of the Retiree.

Additional Qualifying events can occur while the Continuation coverage is in effect. Such events may extend an 18 month Continuation coverage period to 36 months, but in no event will coverage extend beyond 36 months after the initial Qualifying event. You should notify the Plan Administrator if a second Qualifying event occurs during your continuation coverage period.

However, the law also provides that your Continuation coverage may be cut short prior the expiration of the 18, 29 or 36 month period for any of the following five reasons:

1. The Company no longer provides group health coverage to any of its employees;
2. The premium for your Continuation coverage is not timely paid (within the applicable grace period);
3. The individual becomes covered under another group health plan (as an employee or otherwise) that does not contain an exclusion or limitation with respect to any preexisting condition of such individual;
4. The individual becomes entitled to Medicare; or
5. Coverage has been extended for up to 29 months due to disability and there has been a final determination that the individual is no longer disabled.

You do not have to show that you are insurable to choose Continuation coverage. However, Continuation coverage under the law is provided subject to your eligibility for coverage under the Plan. The Company reserves the right to terminate your Continuation coverage retroactively if you are determined to be ineligible.

Under the law, you may have to pay all or part of the premium for your Continuation coverage. The law also states that, at the end of the 18, 29 or 36 month Continuation coverage period, you must be allowed to enroll in an individual conversion health plan that is provided under the Plan.

Once your continuation coverage terminates for any reason, it cannot be reinstated.

This notice is a summary of the law and therefore is general in nature. The law itself and the actual Plan provisions must be consulted with regard to the application of these provisions in any particular circumstances. If you have any questions about the law, please contact the Plan Administrator at the above address or telephone number, Also if you have changed addresses, please notify the Plan Administrator immediately.