

# CAPITAL ONE FINANCIAL CORPORATION

## CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

### Purpose

The Compensation Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Capital One Financial Corporation (the “Corporation”) to assist the Board with respect to: (i) compensation programs and benefit plans (including material incentive plans) for the directors, the “officers” of the Corporation as defined under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations promulgated thereunder, including the Chief Executive Officer (“Senior Management”), and, to the extent provided herein, the employees of the Corporation and its affiliates generally; (ii) the annual Committee report and the Corporation’s annual Compensation Discussion and Analysis required by the rules of the Securities and Exchange Commission; (iii) the election of officers and the hiring or promotion of members of Senior Management; and (iv) such other responsibilities and activities as may be required, from time to time, by law or regulation.

### Membership

The Committee shall be composed of at least three (3) Board members, all of whom shall meet the independence requirements of the New York Stock Exchange for directors and compensation committee members, as determined by the Board. At least two members of the Committee also shall qualify as “outside” directors within the meaning of Internal Revenue Code Section 162(m) and as “non-employee” directors within the meaning of Rule 16b-3 under the Exchange Act. A subsequent determination that any member of the Committee does not qualify as an “independent,” “outside” or “non-employee” director shall not invalidate any previous actions by the Committee except to the extent required by law or determined appropriate to satisfy regulatory standards.

The members shall be appointed and removed by the Board acting on the recommendation of the Governance and Nominating Committee of the Board. The Board shall have the authority to fill any vacancies and to remove any Committee member for any reason. Either the Board or the Committee shall appoint the chair of the Committee (the “Chair”).

### Meetings

The Committee shall meet not less than four times per year and shall hold such other meetings as may be called by the Chair or a majority of the members of the Committee.

The Committee is governed by the same rules regarding meetings (including meetings by telephone conference or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

## **Committee Duties and Responsibilities**

In carrying out its responsibilities, the Committee shall:

### **A. General Duties**

1. Review and reassess annually the adequacy of this charter and submit it to the Board for approval.
2. Maintain minutes of meetings and periodically report to the Board on significant results of the Committee's activities.
3. Conduct an annual evaluation of the Committee's performance of its responsibilities.
4. In its sole discretion, retain, obtain the advice of or terminate any adviser, including any legal or other consultant, to assist it in the performance of its duties. The Committee shall assess the independence of any adviser (whether retained by the Committee or management) that provides advice to the Committee in accordance with New York Stock Exchange listing standards. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any adviser retained by the Committee, and shall have sole authority to approve the adviser's fees and the other terms and conditions of the adviser's retention. The Corporation must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any adviser retained by the Committee.
5. Delegate authority as the Committee deems appropriate in furtherance of its responsibilities to one or more subcommittees of directors consisting of one or more members of the Committee as appropriate, or to management. Each subcommittee shall have the full power and authority of the Committee as to matters delegated to it.
6. Oversee incentive compensation programs for Senior Management and others who can expose the Corporation to material risk with a goal that such programs be designed and operated in a manner that achieves balance and is consistent with safety and soundness; and review data and analyses to allow an assessment of whether the design and operation of incentive compensation programs is consistent with the Corporation's safety and soundness as provided under applicable regulatory guidance.
7. Review and discuss reputation risk matters within the scope of the Committee's responsibilities.
8. Perform any other activities consistent with this charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate or as required by law or regulation.

**B. Duties Relating to Board Compensation**

9. Review periodically and recommend to the Board the annual compensation, including any fees for attending Board and committee meetings, to be paid to, and the stock and other benefit plans for, directors who are not officers of the Corporation or a subsidiary thereof.

**C. Duties Relating to Officer Appointments and Compensation**

10. Recommend to the Board annually the election or re-election of all officers of the Corporation and its federally insured financial institution subsidiaries, or recommend to the Board the manner in which such officers shall be chosen.
11. Review, approve and recommend to the Board the hiring or promotion of members of Senior Management, as appropriate.

**D. Duties Relating to Compensation and to Annual and Long Term Incentive and Other Compensation and Benefit Plans**

12. Review and approve the Corporation's goals and objectives relevant to compensation, including Senior Management compensation, and oversee the Corporation's policies and programs relating to compensation and benefits available to Senior Management with a goal of aligning the policies and programs with such goals and objectives; and review relevant market data relating to compensation and benefits.
13. Evaluate, approve and recommend to those members of the Board who meet the independence requirements of the New York Stock Exchange (the "Independent Members") the Chief Executive Officer's compensation, including any salary, incentive awards, perquisites and termination arrangements, in light of the Committee's assessment of his performance in light of the Corporation's goals and objectives and his anticipated contributions with respect to the Corporation's strategy and objectives.
14. With respect to Senior Management other than the Corporation's Chief Executive Officer, review, approve and recommend to the Independent Members the salary levels, incentive awards, perquisites and termination arrangements (either specifically, or programmatically on a periodic basis) thereof.
15. Make recommendations to the Board with respect to the Corporation's incentive compensation and equity-based plans, to the extent the Committee determines such action is subject to Board approval or that Board approval is otherwise appropriate.
16. Act as the Committee for, or oversee management with respect to, the Corporation's compensation and benefit plans for which the Committee serves as administrator, as appropriate under applicable law and the documents establishing such plans, including, but not limited to:

- (a) administration and oversight of such plans and the applicable systems;
  - (b) adoption, design, amendment, modification and interpretation of such plans;
  - (c) adoption, amendment or revision of the rules, policies and procedures for such plans or the administration thereof, including delegation of any administrative or other responsibilities under such plans; and
  - (d) receipt of reports from management or any other delegate regarding its fulfillment of its responsibilities under such plans.
17. Review and approve participation in the Corporation's executive compensation or executive benefit plans by name or category of position.
18. Administer awards and compensation programs and plans, if any, intended by the Committee to qualify for an exemption under Section 162(m) of the Internal Revenue Code of 1986, as amended, according to the terms of such awards, programs and plans.
19. Approve the aggregate amount of annual cash incentive payments for employees, including executives, of the Corporation.
20. Approve the material terms of each equity incentive award, including the award recipients, the value of the award to be granted (or the number of shares of the Corporation's common stock underlying such award), and the date of the grant of such award.
21. Decide questions and settle controversies and disputes that may arise in connection with any of the Corporation's annual or long-term incentive or other compensation plans or awards approved or administered by the Committee, as appropriate under the documents establishing such plans.

**E. Duties Relating to Certain Annual Disclosures**

22. Review and discuss with management the Corporation's disclosures under the "Compensation Discussion and Analysis" section of the Corporation's annual report on Form 10-K or proxy statement prior to filing with the Securities and Exchange Commission.
23. Based on such review and discussion, recommend to the Board of Directors that such Compensation Discussion and Analysis be included in the Corporation's annual report on Form 10-K or proxy statement.
24. Oversee the Corporation's response to proposals submitted by shareholders addressing matters under the Committee's purview.
25. Review and approve the report of the Committee required by the rules of the Securities and Exchange Commission to be included in the Corporation's proxy statement.

26. Consider and recommend to the Board the frequency of the Corporation's advisory vote on executive compensation.

**Open Communications**

In carrying out its responsibilities, the Committee shall maintain free and open means of communications between the directors, the Chief Executive Officer, the Chief Human Resources Officer, and other members of management. The Committee's policies and procedures shall remain flexible in order to best react to changing conditions or circumstances that might have a material effect on the compensation practices of the Corporation.

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Approved by the Committee and the Board on January 31, 2019.