

CAPITAL ONE FINANCIAL CORP
Form DEF 14A
March 20, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under §240.14a-12

Capital One Financial Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

- 2) Aggregate number of securities to which transaction applies:

- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- 1) Amount previously paid:

- 2) Form, Schedule or Registration Statement No.:

- 3) Filing Party:

- 4) Date Filed:

Table of Contents

Table of Contents

Notice of Capital One Financial Corporation's

2019 Annual Stockholder Meeting

Important Notice Regarding the Availability of Proxy Materials for

The Stockholder Meeting To Be Held On May 2, 2019

The Proxy Statement and Annual Report to Stockholders are available at www.proxyvote.com

The Annual Stockholder Meeting of Capital One Financial Corporation (Capital One or Company) will be held at Capital One's campus at 1600 Capital One Drive, McLean, Virginia 22102, on May 2, 2019, at 10:00 a.m. local time.

Items of Business

As a stockholder, you will be asked to:

Elect eleven nominated directors, who are listed in the proxy statement, as directors of Capital One;

Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2019;

Approve, on a non-binding advisory basis, our 2018 Named Executive Officer compensation (Say on Pay);

Approve and adopt the Capital One Financial Corporation Fifth Amended and Restated 2004 Stock Incentive Plan; and

Consider a stockholder proposal requesting stockholders' right to act by written consent, if properly presented at the meeting.

Stockholders also will transact other business that may properly come before the meeting.

Record Date

You may vote if you held shares of Capital One common stock as of the close of business on March 5, 2019 (Record Date).

Proxy Voting

Your vote is important. You may vote your shares via the Internet, by telephone, by mail or in person at the Annual Stockholder Meeting. Please refer to the section "How do I vote?" in the Proxy Statement for detailed voting

instructions. If you vote via the Internet, by telephone or plan to vote in person at the Annual Stockholder Meeting, you do not need to mail in a proxy card.

Annual Stockholder Meeting Admission

Due to space limitations, attendance is limited to stockholders and one guest each. Admission to the meeting is on a first-come, first-served basis. Registration will begin at 9:00 a.m. local time. Valid government-issued picture identification and proof of stock ownership as of the Record Date must be presented to attend the meeting. If you hold Capital One stock through a broker, bank, trust or other nominee, you must bring a copy of a statement reflecting your stock ownership as of the Record Date. If you plan to attend as the proxy of a stockholder, you must present a legal proxy from your bank, broker, trust or other nominee vote. Cameras, recording devices and other electronic devices are not permitted. If you require special assistance at the meeting because of a disability, please contact the Corporate Secretary at 1600 Capital One Drive, McLean, VA 22102.

We look forward to seeing you at the meeting.

On behalf of the Board of Directors,

John G. Finneran, Jr.

Corporate Secretary

March 20, 2019

Table of Contents

Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all the information you should consider in voting your shares. Please read the complete proxy statement and our annual report carefully before voting.

Meeting Information

Date: Thursday, May 2, 2019

Time: 10:00 a.m. local time

Location: 1600 Capital One Drive, McLean, Virginia, 22102

Record Date: March 5, 2019

How to Vote

Your vote is important. You may vote your shares via the Internet, by telephone, by mail or in person at the Annual Stockholder Meeting. Please refer to the section "How do I vote?" on page 122 for detailed voting instructions. If you vote via the Internet, by telephone or in person at the Annual Stockholder Meeting, you do not need to mail in a proxy card.

INTERNET	TELEPHONE	MAIL	IN PERSON
Visit www.proxyvote.com .	Dial toll-free (1-800-690-6903)	If you received a paper copy of	By following the instructions
You will need the control	or the telephone number	the proxy materials, send your	under "Can I attend the Annual
number printed on your	on	completed and signed proxy	Meeting?" on page 121 and
		card or voting instruction form	requesting a ballot when you

notice, proxy card or voting instruction form. You will need the control number printed on your notice, proxy card or voting instruction form.

your voting instruction form. using the enclosed postage-paid envelope. arrive.

On March 20, 2019, we began sending our stockholders a Notice Regarding the Internet Availability of Proxy Materials.

Voting Items

Election of Directors

Item 1

You are being asked to elect the following eleven candidates for director: Richard D. Fairbank, Aparna Chennapragada, Ann Fritz Hackett, Peter Thomas Killalea, Cornelis Petrus Adrianus Joseph (Eli) Leenaars, Pierre E. Leroy, François Locoh-Donou, Peter E. Raskind, Mayo A. Shattuck III, Bradford H. Warner and Catherine G. West. Each director nominee is standing for election to hold office until our next annual stockholder meeting or until his or her successor is duly elected and qualified. For additional information regarding our director nominees, see Our Board of Directors beginning on page 10 and Biographies of Director Nominees beginning on page 18 of this proxy statement. For a description of our corporate governance practices, see Corporate Governance at Capital One beginning on page 10 of this proxy statement.

Our Board of Directors unanimously recommends that you vote FOR each of these director nominees.

Table of Contents

Corporate Governance Highlights

Board of Directors Members and Leadership

Board Governance Best Practices

Ten of our eleven director nominees are independent; Frequent executive sessions of independent directors that Chief Executive Officer (CEO) and founder is the only regularly include separate meetings with our Chief member of management who serves as a director Financial Officer (CFO), General Counsel, Chief Risk Officer, Chief Audit Officer, Chief Credit Review Officer and Chief Compliance Officer

Active and empowered Lead Independent Director elected annually by independent directors

Annual assessments of the Board and each of its committees, the independent directors and the Lead Independent Director

Active and empowered committee chairs, all of whom are independent

Active engagement and oversight by the Board of Company strategy, risk and the Company's political activities and contributions

Board of Directors (Board) consists of directors with a mix of tenures, including long-standing members, relatively new members, and others at different points along the tenure continuum

Direct access by the Board to key members of management at the discretion of independent directors

Directors reflect a variety of experiences and skills that match the Company's complexity and strategic direction and give the Board the collective capability necessary to oversee the Company's activities

Annual CEO evaluation process led by the Lead Independent Director

Regular discussions regarding Board recruiting, succession and refreshment including director skills and qualifications that support the Company's long-term strategic objectives

Regular talent and succession planning discussions regarding the CEO and other key executives

Regular meetings between the Board and federal banking regulators

Stockholder Engagement and Stockholder Role in Governance

Regular outreach and engagement throughout the year with stockholders regarding Company strategy and performance by our CEO, CFO and Investor Relations team

Outreach and engagement with governance representatives of our largest stockholders at least two times per year

Feedback from investors regularly shared with our Board and its committees to ensure that our Board has insight on investor views

Board and Governance and Nominating Committee receive and review extensive briefings and benchmarking reports on corporate governance practices and emerging corporate governance issues

Majority voting for directors with resignation policy in uncontested elections

Stockholders holding at least 25% of outstanding common stock may request a special meeting

Proxy access on market terms (stockholders holding 3% of outstanding common stock for three years can nominate director candidates)

No supermajority vote provisions for amendments to Bylaws and Certificate of Incorporation or removing a director from office

No stockholder rights plan (commonly referred to as a poison pill)

2 CAPITAL ONE FINANCIAL CORPORATION 2019 PROXY STATEMENT

Table of Contents

Item 2	<p><i>Ratification of Selection of our Independent Registered Public Accounting Firm</i></p> <p>You are being asked to ratify the Audit Committee’s selection of Ernst & Young LLP as our independent registered public accounting firm for 2019. For additional information regarding the Audit Committee’s selection of and the fees paid to Ernst & Young LLP, see Audit Committee Report on page 102 and Ratification of Selection of Independent Registered Public Accounting Firm on page 104 of this proxy statement.</p> <p style="text-align: center;"><i>Our Board of Directors unanimously recommends that you vote FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm.</i></p>
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Item 3	<p><i>Advisory Vote on our Named Executive Officer Compensation (Say on Pay)</i></p> <p>You are being asked to approve on an advisory basis the compensation of our named executive officers. For additional information regarding our executive compensation program and our named executive officer compensation, see Compensation Discussion and Analysis beginning on page 48 and Named Executive Officer Compensation beginning on page 81 of this proxy statement.</p> <p style="text-align: center;"><i>Our Board of Directors unanimously recommends that you vote FOR the advisory approval of our 2018 Named Executive Officer Compensation as disclosed in this proxy statement.</i></p>
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Our executive compensation program is designed to attract, retain, motivate and reward leaders who can foster strong business results and promote our long-term success. We believe our executive compensation program strongly links rewards with both business and individual performance over multiple time horizons, which aligns our executives interests with those of our stockholders while supporting safety and soundness and appropriately balancing risk.

2018 Company Performance

Each year the Compensation Committee (the Committee) and the other independent members of our Board (the Independent Directors) review and evaluate the Company’s qualitative and quantitative performance and make determinations regarding the compensation of our named executive officers (NEOs) based on Capital One’s

pay-for-performance philosophy. The Committee's top priority is to implement a compensation program that aligns the interests of our NEOs with the interests of our stockholders. The Committee also seeks to directly link the compensation of the NEOs with the Company's performance, and the executives' contributions to that performance over appropriate time horizons. The Committee and the Independent Directors have the flexibility to adjust compensation decisions from year to year to take into account Company and individual performance, as well as evolving market practices.

In 2018, Capital One delivered strong financial and operating results including record revenues and profits while continuing to invest in attractive long-term growth opportunities. We improved our franchise, unveiling new products and broadening our brand with marketing and advertising campaigns that drove awareness and growth. We delivered value to our customers and empowered them with great digital experiences and extended billions of dollars of credit to consumers, small business owners and commercial clients while maintaining our focus on risk and resilience. We attracted great talent and our people practices continue to garner recognition. We believe our investments will result in a company with the scale, brand, capabilities, talent and values to succeed as the digital revolution transforms our society and our industry.

Table of Contents

In particular, the Committee recognized and considered the following when awarding compensation for the 2018 performance year to our NEOs⁽¹⁾:

Record Diluted Earnings Per Share (EPS²⁾ of \$11.82, or \$10.88, net of adjustments, a 40.6% increase from 2017, outpacing all companies in our peer comparator group, driven by strong credit performance and operating results in all of our major lines of business (see **Market Data** beginning on page 76 for a description of our peer comparator group). Record net income of \$5.7 billion, driven by record net income in our Domestic Card business.

Revenue Growth of 3.1% compared to 2017, fueled by balanced performance across our major business lines, including record purchase volume growth in our Domestic Card business of 15.4% over 2017.

Return on Average Tangible Common Equity⁽³⁾ of 18.6%, an increase of 55.0% from 2017 (as adjusted for the impacts of the Tax Cuts and Jobs Act of 2017 (**Tax Act**)), which is above our peer comparator group's median of 17.1%.

Tangible Book Value per share growth (including the effect of common dividends) of 17.5%, the second-highest of our peer comparator group. Tangible Book Value per share grew from \$60.28 to \$69.20, with quarterly common dividends totaling \$1.60 per common share, driven by strong profitability and capital management.

Total Shareholder Return (TSR) of -22.8%, 11.2%, and 8.4% over one-, three-, and five-year periods as compared to the TSR of the KBW Bank Index of -17.7%, 25.4%, and 37.8% over the same time periods.

Execution Against Strategic Corporate Imperatives. We continued to make significant but disciplined investments to transform and reimagine our infrastructure, data, digital tools, and talent. We broadened our brand, enhanced our customer experience and strengthened our risk and control environment. We entered into a new partnership with Walmart, the world's largest retailer, and invested in attractive growth opportunities that will result in growth and returns in the future.

See **Executive Summary** beginning on page 49 and **Year-End Incentive Opportunity** beginning on page 61 for more information regarding the Company's 2018 performance.

Highlights of Our 2018 Compensation Programs

We believe that our NEO compensation programs balance risk and financial results, reward NEOs for their achievements, promote our overall compensation objectives and encourage appropriate, but not excessive, risk-taking. Our compensation programs are structured to encourage our executives to deliver strong results over the short term while making decisions that create sustained value for our stockholders over the long term. Key features of our 2018 compensation programs include:

No CEO Cash Salary. Our CEO does not receive a cash salary and 100% of his compensation is at-risk based on his and the Company's performance.

- (1) The Committee considers these metrics to be key financial performance measures in its assessment of the Company's performance, including certain non-GAAP measures. While certain of our non-GAAP measures are widely used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies, they may not be comparable to similarly titled measures reported by other companies. See Appendix A for our definition and reconciliation of these non-GAAP measures to the applicable amounts measured in accordance with GAAP.
- (2) Diluted EPS is presented on both a GAAP and non-GAAP basis. The non-GAAP measures consist of our adjusted results that the Committee believes are indicative of the Company's performance and help investors and users of our financial information understand the effect of adjusting items on our selected reported results and provide alternate measurements of our performance. See Appendix A for our reconciliation of the non-GAAP measures to the applicable amounts measured in accordance with GAAP.
- (3) The ROTCE presented for 2017 is adjusted to exclude the \$1.77 billion impact of the Tax Act. The adjusted amount is a non-GAAP measure that the Committee believes is indicative of the Company's performance and helps investors and users of our financial information understand the effect of the Tax Act on our selected reported results and provide alternate measurements of our performance. See Appendix A for our definition and reconciliation of these non-GAAP measures to the applicable amounts measured in accordance with GAAP.

4 CAPITAL ONE FINANCIAL CORPORATION 2019 PROXY STATEMENT

Table of Contents

Payout of 60% of CEO Compensation Determined by Formula. 60% of CEO compensation granted for 2018 was in the form of performance shares that provide for vesting based entirely on the Company's performance on an absolute basis and relative to the Company's peers over a three-year period.

76% of CEO Pay is Equity-Based Compensation. 76% of our CEO's 2018 total compensation and 55% of all other named executive officer compensation for 2018 was equity-based to align with stockholder interests.

All CEO Compensation Deferred for 3 Years. All CEO compensation is deferred for at least three years.

Awards Based on Company and Individual Performance. All named executive officers receive incentive awards based on Company and/or individual performance. For 2018, 100% of CEO compensation and 80% of the compensation for the other named executive officers was based on Company and/or individual performance.

All Equity Awards Contain Performance and Recovery Provisions. All equity awards contain performance and recovery provisions that are designed to enhance alignment between pay and performance and to balance risk. See *Additional Performance Conditions and Recovery Provisions* beginning on page 71 for more information about these provisions.

2018 Compensation Decisions

2018 CEO Performance Year Compensation. The CEO's compensation for the 2018 performance year was composed of equity awards designed to provide the CEO with an incentive to focus on long-term performance and the opportunity for a year-end incentive award based on the Committee's evaluation of the Company's performance and the CEO's contributions to that performance. Mr. Fairbank's total compensation for performance year 2018 was \$17.5 million and consisted of:

Performance Shares granted in February 2018 under which he may receive from 0% to 150% of a target number of 100,268 shares of the Company's common stock based on the Company's performance over a three-year period beginning January 1, 2018; and

Year-End Incentive Award totaling \$7 million granted in January 2019 in recognition of the Company's record financial performance in 2018 and consisting of a deferred cash bonus of \$4.2 million and a grant of 34,744 cash-settled restricted stock units (RSUs) valued at \$2.8 million. The deferred cash bonus is mandatorily deferred for three years into the Company's Voluntary Non-Qualified Deferred Compensation Plan and will pay out in the first calendar quarter of 2022. The award of RSUs will vest in full on February 15, 2022, and settle in cash based on the Company's average stock price over the fifteen trading days preceding the vesting date.

The chart below shows Mr. Fairbank's actual total compensation for performance year 2018:

CAPITAL ONE FINANCIAL CORPORATION **2019 PROXY STATEMENT** 5

Table of Contents

Below is a table showing Mr. Fairbank's compensation awards as they are attributable to the performance years indicated. For the years shown in the table, Mr. Fairbank's total target compensation was \$17.5 million. See 2018 CEO Compensation Program beginning on page 56 for additional information regarding Mr. Fairbank's 2018 performance year compensation.

Performance Year	Year-End Incentive			Long-Term Incentives			Total
	Cash Salary	Deferred Cash Bonus	Cash- Settled RSUs	Stock-Settled Awards	Performance Shares	Option Awards	
2018	\$	\$4,200,000	\$2,800,019	\$	\$10,500,065	\$	\$17,500,084
2017	\$	\$3,727,500	\$2,485,006	\$	\$ 8,750,041	\$1,750,018	\$16,712,565
2016	\$	\$2,677,500	\$1,785,080	\$1,750,026	\$ 8,750,002	\$1,750,003	\$16,712,611

The table above is presented to show how the Committee views compensation actions and to which year the compensation awards relate. This table differs substantially from the Summary Compensation Table required for this proxy statement beginning on page 81 and is therefore not a substitute for the information required in that table. See Chief Executive Officer Compensation beginning on page 56 for a description of the compensation paid to our CEO.

2018 NEO Performance Year Compensation. NEO (other than the CEO) compensation for the 2018 performance year was composed of a mix of cash and equity-based compensation consisting of a base salary and an annual year-end incentive opportunity which consisted of a cash incentive and a long-term incentive opportunity. The long-term incentive opportunity was comprised of performance shares and stock-settled RSUs as determined by the Committee. The chart below shows the elements of NEO (other than the CEO) compensation as an approximate percentage of NEO 2018 actual total compensation:

See [NEO Compensation](#) beginning on page 66 for a description of compensation to the NEOs (other than the CEO).

Say on Pay and Response to Stockholder Feedback

The Committee and the Board of Directors value the input of our stockholders. At our 2018 Annual Stockholder Meeting, more than 85% of our stockholders supported Capital One's named executive officer compensation. See [Consideration of 2018 Say on Pay Vote](#) beginning on page 53 for additional information regarding our Say on Pay vote.

In recent years, in response to feedback received from our stockholders, the Committee and the Independent Directors have made significant improvements to Capital One's executive compensation program, practices and disclosures. The changes aim to simplify the program structure, further align our executive compensation practices with best practices and principles and enhance the transparency of our disclosures:

Increased Alignment of CEO Pay and Performance. Beginning in 2019, the Committee and the Independent Directors increased the alignment of CEO compensation with Company performance and stockholder interests by increasing the percentage of the CEO's total target compensation tied

Table of Contents

to a year-end evaluation of CEO and Company performance from 40% to 90%. The Committee and the Independent Directors believe that this structure further aligns Mr. Fairbank's compensation with that of the Company's peers and provides a greater opportunity for the Committee and the Independent Directors to assess the Company and the CEO's performance after the completion of the performance year. In addition, this structure enhances the Committee and the Independent Directors' ability to incorporate feedback from stockholders received during the year to ensure that the CEO's performance year compensation appropriately reflects the Company's compensation philosophy, principles and business results. See 2019 CEO Compensation Program beginning on page 65 for more information.

New Performance Share Award Metrics. Beginning in 2018, the performance shares awarded to the named executive officers vest based on two metrics: Common Dividends + Growth of Tangible Book Value per Share (D+TBV) and Adjusted ROTCE, each defined under Performance Share Award Metrics on page 59. The Committee and the Independent Directors believe that these two performance metrics, in combination, provide a balanced and rigorous measurement of Company performance by balancing the creation of long-term stockholder value and the returns generated on stockholders' investment in the Company.

Simplified NEO Compensation Program. In 2018, the Committee and the Independent Directors modified the compensation program applicable to our NEOs (other than the CEO) to reduce the number of compensation vehicles, eliminating stock options and cash-settled RSUs, and more closely aligning the program vehicles and structure to the programs used by the Company's peers. For 2018, this resulted in a greater percentage of such NEOs compensation awarded in the form of performance shares and an increase of NEO (other than the CEO) total target compensation linked to Company and individual performance from 65% to 80%. See 2018 NEO Compensation Program beginning on page 66 for more information.

Enhanced Disclosures. We provided greater transparency regarding the Committee's use of discretion, particularly regarding the Company's performance and the year-end incentive awards granted to the NEOs, and introduced disclosure regarding the Company's approach to environmental and social matters in addition to further detailing our governance principles and practices.

Item 4***Approval and Adoption of the Capital One Financial Corporation Fifth Amended and Restated 2004 Stock Incentive Plan***

You are being asked to approve and adopt the Capital One Financial Corporation Fifth Amended and Restated 2004 Stock Incentive Plan. For additional information regarding the proposal, see *Approval and Adoption of the Capital One Financial Corporation Fifth Amended and Restated 2004 Stock Incentive Plan* beginning on page 107 of this proxy statement.

Our Board of Directors unanimously recommends a vote FOR the approval and adoption of our Fifth Amended and Restated 2004 Stock Incentive Plan as disclosed in this proxy statement.

Stockholder Proposal Requesting Stockholders Right to Act by Written Consent

Item 5

You are being asked to vote on a stockholder proposal requesting stockholders right to act by written consent. For additional information regarding the proposal, see **Stockholder Proposal Requesting Stockholders Right to Act by Written Consent** beginning on page 117 of this proxy statement.

û *Our Board of Directors unanimously recommends a vote AGAINST the stockholder proposal as disclosed in this proxy statement.*

Table of Contents

Table of Contents

<u>Section I - Corporate Governance at Capital One</u>	10
<u>Overview of Corporate Governance at Capital One</u>	10
<u>Our Board of Directors</u>	10
<u>Biographies of Director Nominees</u>	18
<u>Board Leadership Structure</u>	23
<u>Key Board Governance Practices</u>	25
<u>Stockholder Engagement Program</u>	31
<u>Board Committees</u>	33
<u>Executive Officers</u>	37
<u>Related Person Transactions</u>	40
<u>Environmental, Social and Governance Practices</u>	41
<u>How to Contact Us</u>	44
<u>Section II - Director Compensation</u>	45
<u>Director Compensation Objectives</u>	45
<u>Director Compensation Procedures</u>	45
<u>Director Compensation Structure</u>	45
<u>Compensation of Directors</u>	46
<u>Other Benefits</u>	47
<u>Stock Ownership Requirements</u>	47
<u>Section III - Compensation Discussion and Analysis</u>	48
<u>Executive Summary</u>	49
<u>Our Compensation Principles and Objectives</u>	55
<u>Chief Executive Officer Compensation</u>	56
<u>NEO Compensation</u>	66
<u>Additional Performance Conditions and Recovery Provisions</u>	71
<u>Process and Criteria for Compensation Decisions</u>	74
<u>Other Compensation Arrangements</u>	77
<u>Other Aspects of Executive Compensation</u>	78
<u>Section IV - Named Executive Officer Compensation</u>	81
<u>2018 Summary Compensation Table</u>	81
<u>2018 Grants of Plan-Based Awards</u>	83

<u>2018 Grants of Plan-Based Awards Table</u>	84
<u>2018 Option Exercises and Stock Vested Table</u>	85
<u>2018 Outstanding Equity Awards at Fiscal Year-End Table</u>	86
<u>Pension Benefits</u>	88
<u>2018 Pension Benefits Table</u>	88
<u>Capital One's Voluntary Non-Qualified Deferred Compensation Programs</u>	89
<u>2018 Non-Qualified Deferred Compensation Table</u>	90
<u>Potential Payments Upon Termination or Change of Control</u>	90
<u>2018 Potential Payments and Benefits Upon Termination or Change of Control Table</u>	94
<u>Estimated Ratio of CEO Compensation to Median Employee Compensation</u>	95

8 CAPITAL ONE FINANCIAL CORPORATION 2019 PROXY STATEMENT

Table of Contents**TABLE OF CONTENTS**

<u>Section V - Equity Compensation Plans</u>	97
<u>Equity Compensation Plan Information</u>	97
<u>1999 Directors Plan</u>	97
<u>Section VI - Security Ownership</u>	98
<u>Security Ownership of Certain Beneficial Owners</u>	98
<u>Security Ownership of Directors and Named Executive Officers</u>	99
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	100
<u>Section VII - Compensation Committee Report</u>	101
<u>Section VIII - Audit Committee Report</u>	102
<u>Section IX - Election of Directors (Item 1 on Proxy Card)</u>	103
<u>Section X - Ratification of Selection of Independent Registered Public Accounting Firm (Item 2 on Proxy Card)</u>	104
<u>Section XI - Advisory Approval of Capital One's 2018 Named Executive Officer Compensation (Item 3 on Proxy Card)</u>	106
<u>Section XII - Approval and Adoption of the Capital One Financial Corporation Fifth Amended and Restated 2004 Stock Incentive Plan (Item 4 on Proxy Card)</u>	107
<u>Section XIII - Stockholder Proposal Requesting Stockholders' Right to Act by Written Consent (Item 5 on Proxy Card)</u>	117
<u>Section XIV - Other Business</u>	120
<u>Other Business</u>	120
<u>Annual Report to Stockholders</u>	120
<u>Stockholder Proposals for 2020 Annual Stockholder Meeting</u>	120
<u>Section XV - Frequently Asked Questions</u>	121
<u>Appendix A - Information Regarding Non-GAAP Financial Measures</u>	125
<u>Appendix B - Capital One Financial Corporation Fifth Amended and Restated Stock Incentive Plan</u>	128
<i><u>Forward-Looking Statements</u></i>	

This document contains forward-looking statements that is, statements related to future events that by their nature address matters that are, to different degrees, uncertain. For details on the uncertainties that may cause our actual future results to be materially different than those expressed in our forward-looking statements, see the Forward-Looking Statements in our annual reports on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements. This document also includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially.

Table of Contents

Section I - Corporate Governance at Capital One

Overview of Corporate Governance at Capital One

Capital One is dedicated to strong and effective corporate governance that provides our Board of Directors (Board) with the appropriate framework to engage in ongoing oversight of the Company s activities. Our Board believes that robust, dynamic corporate governance policies and practices are the foundation of an effective and well-functioning board, and are vital to preserving the trust of our stakeholders, including customers, stockholders, regulators, suppliers, associates and the general public.

Information About Our Corporate Governance Policies and Guidelines

The Board has adopted Corporate Governance Guidelines to formalize its governance practices and provide its view of effective governance. Our Corporate Governance Guidelines embody many of our long-standing practices, policies and procedures, which collectively form a corporate governance framework that promotes the long-term interests of our stockholders, promotes responsible decision-making and accountability, and fosters a culture that allows our Board and management to pursue Capital One s strategic objectives. To maintain and enhance independent oversight, our Board regularly renews and refreshes its governance policies and practices as changes in corporate strategy, the regulatory environment and financial market conditions occur, and in response to investor feedback and engagement.

The Board has also adopted Capital One s Code of Business Conduct and Ethics (Code of Conduct), which applies to Capital One s directors, executives and associates, including Capital One s Chief Executive Officer (CEO), Chief Financial Officer (CFO), Principal Accounting Officer and other persons performing similar functions. The Code of Conduct reflects Capital One s commitment to honesty, fair dealing, and integrity, and guides the ethical actions and working relationships of Capital One s directors, executives and associates in their interactions with investors, current and potential customers, fellow associates, competitors, governmental entities, the media, and other third parties with whom Capital One has contact.

We encourage you to visit the Corporate Governance section of our website at www.capitalone.com. Select About, then Investors, to open the section where you can find our Corporate Governance Guidelines, Code of Conduct, Committee Charters, Certificate of Incorporation, and Amended and Restated Bylaws (Bylaws). For a description of the key governance practices of our Board, see Key Board Governance Practices beginning on page 25.

Our Board of Directors

Our Perspectives on Overall Board Composition and Refreshment

In recent years, the investor community has become increasingly focused on the composition of corporate boards and policies and practices that encourage board refreshment. At Capital One, we appreciate that our investors share our passion for cultivating a board that encompasses the optimal mix of diverse backgrounds, experiences, skills, expertise, qualifications, and an unwavering commitment to integrity and good judgment, in order to thoughtfully advise and guide management as they work to achieve our long-term strategic objectives.

The Governance and Nominating Committee, under the direction of its Chair, who also currently serves as the Company's Lead Independent Director, assesses the composition of and criteria for membership on the Board and its committees on an ongoing basis. In fulfilling this responsibility, the Governance and Nominating Committee has taken a long-term view and continuously assesses the resiliency of the Board over the next ten to fifteen years in alignment with the Company's strategic direction to determine what actions may be desirable to best position the Board for success. The Governance and Nominating Committee considers a variety of factors, including the Company's long-term strategy, the skills and experiences that directors provide to the Board (including in the context of the Company's strategy), the performance of the Board and the Company, the Board's director retirement policy (as described in the Company's Corporate Governance Guidelines), the Board's view that a resilient board should include members across a continuum of tenure, and the belief that valuable insights can be gained from gender and ethnic diversity among the Board's members. Over the last few years, the Governance and Nominating Committee has held discussions regarding director recruiting plans on a quarterly

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

basis, and has provided regular updates to the Board on those plans. In support of the Board’s long-term resiliency efforts, four new independent directors (representing more than 25% of the Board) have been appointed in the last five years.

As a result of these long-term strategic resiliency assessments, the Governance and Nominating Committee has articulated a set of principles on board composition, which include:

<p><i>Board Skills</i></p>	<p>Consider the collective set of skills that allows the Board to cover all vectors of effective challenge of management, especially in the areas of business strategy, financial performance, enterprise risk management, cyber risk, technology innovation, and executive talent and leadership</p> <p>Ensure collective Board skill sets evolve with corporate strategy</p>
<p><i>Industry Experience</i></p>	<p>Seek and retain Board members with industry experience, both banking and technology, that align with our long-term strategy, understanding that such experience is critical to providing effective challenge</p> <p>Recognize that the financial services industry is complex and understand the importance of having directors who have witnessed the extended nature of the banking business and credit cycles and can share the wisdom of those experiences</p>
<p><i>Board Size</i></p>	<p>Consider the appropriate size of the Board in relation to promoting active engagement, open discussion and effective challenge of management</p> <p>Continuously assess the depth of successors available to assume Board leadership positions for both expected and unexpected departures</p>

Believe that it is critical to have members across a continuum of director tenure in order to ensure the effective oversight of a large financial institution, which must simultaneously embrace innovation and changing market and customer expectations and prudently preserve the safety and soundness of the institution through long-term business and credit cycles

Tenure

Seek to have a mix of long-standing members, relatively new members, and remaining members at different points along the tenure continuum to cultivate Board membership that collectively represents members who have actively overseen the Company’s strategic journey through various business cycles, who have sufficient experience to assume Board leadership positions, and who bring fresh ideas and perspectives

Diversity

Believe having a Board with members who demonstrate a diversity of thought, perspectives, skills, backgrounds and experiences is important to building an effective and resilient board, and as a result, have a goal of identifying candidates that can contribute to that diversity in a variety of ways, including ethnically and gender diverse candidates

Engage in a continuous process of identifying and assessing potential director candidates in light of the Board’s collective set of skills and future needs

Evergreen Recruiting

Recognize that recruiting new directors is not one-dimensional and that effective Board members are those who have relevant backgrounds and expertise combined with a broad business acumen; strategic leadership; a commitment to risk management; an understanding of the intricacies of a large, public company; and a dedication to the Company and its stockholders, the Board as a whole, and to the individual members that comprise the Board

Staged Refreshment

Take a long-term perspective, working back from a destination, to enable thoughtful director refreshment that meets strategic needs while avoiding disruption

Take a planned approach to changes in board membership, considering the timing of new director onboarding relative to planned retirements and departures

Recognize that new directors need time to become familiar with the Company's business model and strategy and become deeply grounded in these matters to be well-positioned to challenge management effectively

Acknowledge that relationships among Board members develop organically over time and recognize the importance of protecting and nurturing the open, values-based culture that the Board enjoys to appropriately oversee and challenge management

Table of Contents**SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE**

The Board leverages several long-standing practices and processes to support Board refreshment in keeping with the principles articulated above, including:

Annual assessments of the Lead Independent Director (see Annual Assessment of the Lead Independent Director on page 25 for more information).

Annual evaluations of the Board and its committees (see Annual Board and Committee Evaluations beginning on page 26 for more information).

Annual assessments of individual directors (see Annual Assessment of Director Nominees on page 28 for more information).

Our Director Nominees

Our Board is presenting the following 11 nominees for election as directors at the Annual Stockholder Meeting. All of the nominees currently serve as directors on our Board and, other than Mr. Leenaars (who was appointed to our Board effective January 1, 2019) and Mr. Locoh-Donou (who was appointed to our Board effective March 1, 2019), all were elected by our stockholders at our 2018 Annual Stockholder Meeting. For a description of the specific experience and qualifications of each of our nominees, see Biographies of Director Nominees beginning on page 18.

Name	Age	Occupation	Director Since	Independent	Other Public Boards
Richard D. Fairbank	68	Chairman, Chief Executive Officer and President, Capital One Financial Corporation	1994	No	0
Aparna Chennapragada	42	Vice President, Augmented Reality, Google	2018		0

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Ann Fritz Hackett	65	Partner and Co-Founder, Personal Pathways, LLC	2004	1
Peter Thomas Killalea	51	Owner and President, Aoinle, LLC; Former Vice President of Technology, Amazon.com	2016	3
Eli Leenaars	57	Vice Chairman of the Global Wealth Management Division, UBS Group AG	2019	0
Pierre E. Leroy	70	Managing Partner, Aspiture, LLC; Former Executive Chair and Chief Executive Officer, Vigilant Solutions; Former Division President, Deere & Co.	2005	0
François Locoh-Donou	47	President, Chief Executive Officer, and Director, F5 Networks, Inc.	2019	1
Peter E. Raskind	62	Former Chairman, President and Chief Executive Officer, National City Corporation	2012	0
Mayo A. Shattuck III	64	Chairman, Exelon Corporation; Former Chairman, President and Chief Executive Officer, Constellation Energy Group	2003	3

Bradford H. Warner	67	Former President of Premier and Small Business Banking, Bank of America Corporation	2008	0
Catherine G. West	59	Former Special Advisor, Promontory Financial Group; Former Associate Director and Chief Operating Officer, Consumer Financial Protection Bureau	2013	0

12 CAPITAL ONE FINANCIAL CORPORATION 2019 PROXY STATEMENT

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

We would like to extend our appreciation to director Benjamin P. Jenkins, who will retire from our Board effective May 2, 2019 in accordance with our Corporate Governance Guidelines. Mr. Jenkins has been a director of Capital One since 2013, providing our Board and management with extensive knowledge and valuable insights from his over 38 years of experience in corporate banking, banking operations, investment banking, and management of customer relationships. We are deeply grateful to Mr. Jenkins for his many valuable contributions to Capital One and wish him well in his future endeavors.

We would also like to extend our appreciation to director Lewis Hay, III, who has decided not to stand for re-election to the Board at the 2019 Annual Stockholder Meeting due to other demands on his time. Mr. Hay has been a director of Capital One since 2003, providing our Board and management with extensive knowledge and insights on the complex strategic, operational, management, regulatory, financial, and governance issues faced by large public companies such as Capital One. We thank Mr. Hay for his commitment to Capital One over his 16 years of service and wish him well in his future endeavors.

Director Nominee Highlights (excluding our CEO)

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

What We Look For in Individual Director Nominees

The evaluation and selection of director nominees is a key aspect of the Governance and Nominating Committee's regular evaluation of the composition of, and criteria for membership on, the Board. When considering director nominees, including incumbent directors eligible for re-election, nominees to fill vacancies on the Board, and nominees recommended by stockholders, the Governance and Nominating Committee focuses on the development of a Board composed of directors that meet the criteria set forth below.

Personal Characteristics	Commitment to the Company
High personal and professional ethics, integrity and honesty, good character and judgment	A willingness to commit the time and energy to satisfy the requirements of Board and committee membership, including the ability to attend and participate in meetings of the Board and committees of which they are a member and the annual meeting of stockholders and be available to management to provide advice and counsel
Independence and absence of any actual or perceived conflicts of interest	A willingness to rigorously prepare prior to each meeting and actively participate in the meeting
The ability to be an independent thinker and willingness to provide effective challenge to management	Possess, or be willing to develop, a broad knowledge of both critical issues affecting the Company and a director's roles and responsibilities
	A willingness to comply with Capital One's Director Stock Ownership Requirements, Corporate Governance Guidelines and Code of Conduct

Diversity

Skills and Experience

Diversity along a variety of dimensions, including the candidate's professional and personal experience, background, perspective and viewpoint, as well as the candidate's gender and ethnicity

The value derived from each nominee's skills, qualifications, experience and ability to impact Capital One's long-term strategic objectives

While diversity is evaluated in a broad sense based on experience, background and viewpoint, the Governance and Nominating Committee recognizes that Capital One serves diverse communities and customers, and believes that the composition of our Board should appropriately reflect this diversity

Strong educational background

Substantial tenure and breadth of experience in leadership capacities

The Governance and Nominating Committee is committed to seeking highly qualified women and individuals from minority groups to include in the pool of nominees and has instructed the third-party search firm used in director recruiting efforts to consider these elements accordingly

Business and financial acumen

Understanding of the intricacies of a public company

Experience in risk management

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

The Governance and Nominating Committee reviews its effectiveness in balancing these considerations when assessing the composition of the Board, and has determined that all of our director nominees possess the personal characteristics, level of commitment to the Company, diversity, and skills and experience that align with the Company's long-term strategy and that enable the Board to operate in an engaged and effective manner.

Specific Skills and Experience. The Governance and Nominating Committee and the Board regularly review the Board's membership in light of Capital One's business model and strategic goals and objectives, the regulatory environment and financial market conditions. In its review, the Governance and Nominating Committee considers whether the Board continues to possess the appropriate mix of skills and experience to oversee the Company in achieving these goals, and may seek additional directors as a result of this consideration. Our director nominees have specific experiences that, in the aggregate, meet an articulated set of director skills established by the Governance and Nominating Committee. These skills are not one-dimensional. Instead, these skills collectively allow our director nominees to leverage strategic and forward thinking, pattern recognition, and strong business acumen to inform Board discussions and create an engaged, effective, and strategically oriented Board.

Skills and Experience of our Director Nominees (excluding our CEO)⁽¹⁾

(1) Skills defined below

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

<i>Strategic Planning and Transformation</i>	Experience setting a long-term corporate vision or direction, developing desirable products and customer segments, assessing geographies in which to operate, and evaluating competitive positioning
<i>Banking and Financial Services</i>	Extended board experience or management experience in Retail Banking, Commercial Banking, Consumer Lending, Small Business Banking, Investment Banking, and/or other financial services
<i>Retail and/or Commercial Banking Executive</i>	Executive level experience and oversight of Retail and/or Commercial Banking
<i>Digital, Technology, and Cybersecurity</i>	Leadership and understanding of technology, digital platforms and cyber risk
<i>Technology Executive</i>	

Executive level experience with direct oversight and expertise in technology, digital platforms and cyber risk

Risk Management and Compliance

Significant understanding with respect to the identification, assessment and oversight of risk management programs and practices

Public Company Senior Executive Management

Experience as a chief executive officer or other senior executive at a public company

Public Accounting and Financial Reporting

Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements

Talent Management, Compensation and Succession Planning

Understanding of the issues involved with executive compensation, succession planning, human capital management, and talent management and development

Public Company Governance

Extended experience serving as a director on a large public company board and/or experience with public company governance issues and

policies, including governance best practices

Regulated Industries and Regulatory Issues

Experience with regulated businesses, regulatory requirements, and relationships with state and federal agencies

Other Considerations. For new nominees, the Governance and Nominating Committee may also consider the results of the nominee’s interviews with directors and/or other members of senior management and any background checks the Governance and Nominating Committee deems appropriate. In 2018, Capital One continued its engagement with Spencer Stuart, a third-party director search firm, to identify and evaluate potential non-incumbent director candidates based on the criteria and principles described above.

When evaluating incumbent directors, the Governance and Nominating Committee also considers the director’s performance throughout the year, including the director’s attendance, preparation for and participation in Board and committee meetings, the director’s annual evaluation, feedback received from fellow Board members, and the director’s willingness to serve for an additional term, as further described in the section Annual Assessment of Director Nominees beginning on page 28.

Process for Stockholder Recommendations of Director Candidates

Stockholders may propose nominees for consideration by the Governance and Nominating Committee by submitting the names and other relevant information as required by Capital One’s Bylaws, and further described in Capital One’s Corporate Governance Guidelines, to the Corporate Secretary at Capital One’s address set forth in the Notice. Capital One’s Corporate Governance Guidelines require the Corporate Secretary to deliver a copy of the submitted information to the Chair of the Governance and Nominating Committee. The Governance and Nominating Committee will consider potential nominees proposed by stockholders on the same basis as it considers other potential nominees.

In addition, an eligible stockholder or group of stockholders may use Capital One’s proxy access bylaws to include stockholder-nominated director candidates in the Company’s proxy materials for annual meetings of stockholders. Our Bylaws permit up to 20 stockholders owning 3% or more of the Company’s outstanding

Table of Contents**SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE**

common shares of voting stock continuously for at least three years to nominate and include in the Company's proxy materials director nominees constituting up to two (2) individuals or 20% of the Board (whichever is greater) provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the Bylaws.

Director Independence

Except for our CEO, who is the Company's founder, the Board has affirmatively determined that the other members of our Board are independent under Capital One's Director Independence Standards, which have been adopted by the Board as part of Capital One's Corporate Governance Guidelines. The Board has concluded this based on a thorough assessment of whether each of its non-management members is independent under these standards. These standards reflect the director independence requirements set forth in the listing standards of the New York Stock Exchange (NYSE) and other applicable legal and regulatory rules, and also describe certain categorical relationships that the Board has determined to be immaterial for purposes of determining director independence. The categorical relationships the Board has deemed immaterial for purposes of determining director independence are: (i) relationships between Capital One and an entity where the director serves solely as a non-management director; (ii) transactions between Capital One and a director or a director's immediate family (or their primary business affiliations) that fall below the numerical thresholds in the NYSE listing standards (or do not otherwise preclude independence under those standards), and that are ordinary course, on arm's-length market terms, and, in the case of extensions of credit, followed usual underwriting procedures, contain no other unfavorable features and are in compliance with applicable legal and regulatory rules; and (iii) discretionary contributions to not-for-profit organizations, foundations, or universities in which a director serves as an executive officer that in any of the last three fiscal years do not exceed the greater of \$1 million or 2% of the organization's consolidated gross revenues.

The Board has determined that each of the director nominees (excluding our CEO) is independent under these standards. The Board has also determined that Mr. Hay and Mr. Jenkins are independent under these standards. In making these determinations, the Governance and Nominating Committee and the Board reviewed certain information obtained from non-management directors' responses to a questionnaire asking about their relationships with Capital One, and those of their immediate family members and primary business or charitable affiliations and other potential conflicts of interest, as well as certain information obtained through internal diligence conducted on Capital One's businesses related to transactions, relationships or arrangements between Capital One and a non-management director or their immediate family members, primary business or charitable affiliations. Following this review, the Board determined that the relationships or transactions complied with the Corporate Governance Guidelines and the related NYSE standards.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Biographies of Director Nominees

Director Since: 1994

Age: 68

Capital One Committees:

None

Capital One Companies:

Capital One Bank (USA),
National Association (Chair)

Capital One, National
Association (Chair)

Richard D. Fairbank

Chairman, Chief Executive Officer and President, Capital One Financial Corporation

Mr. Fairbank is founder, Chairman, Chief Executive Officer, and President of Capital One Financial Corporation. As an innovator and entrepreneurial leader, Mr. Fairbank has grown Capital One from a start-up to one of the ten largest banks in America and 100 largest companies in the country as ranked by Fortune Magazine. Mr. Fairbank has been the CEO since the Company's Initial Public Offering in November 1994 and has served as the Chairman and CEO since February 1995. Since the founding of the Company, Mr. Fairbank has been responsible for overseeing both the Company's strategic direction as well as management of Capital One's day-to-day operations, and has driven strong organic business growth and executed a series of strategic acquisitions across retail and direct banking, credit cards, auto lending, and technology. Mr. Fairbank has extensive experience in financial services and has led the development, growth, and transformation of the Company's business capabilities since its founding, including technology, risk management, brand, customer experience, and talent development and diversity.

Prior to Capital One, Mr. Fairbank was Vice President and head of the banking practice at a national strategy consulting firm. Mr. Fairbank served on MasterCard International's Global Board of Directors from February 2004 until

May 2006.

Additional Public Directorships (current):

None

Aparna Chennapragada

Vice President, Augmented Reality, Google

Director Since: 2018

Age: 42

Capital One Committees:

Compensation Committee

Risk Committee

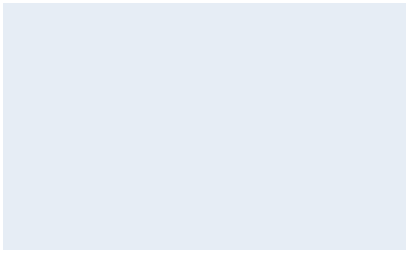
Capital One Companies:

Capital One Bank (USA),
National Association

Ms. Chennapragada, a computer scientist and current Vice President at Google, has more than 18 years of experience in leading teams, driving strategy, and developing successful flagship products. As an accomplished executive with experience in technology innovation and development, leading change initiatives, product development, strategy, machine learning, and talent management, she brings significant insights on mobile, artificial intelligence, and technology's transformational impact on business and consumers.

Ms. Chennapragada has been a leader at Google for more than a decade and has served as Vice President of Product Management since October 2017, where she oversees product management for new product areas in augmented reality. Prior to her current role, Ms. Chennapragada was a Senior Director and Technical Assistant to the CEO at Google from May 2016 to September 2017, where she helped drive various company-wide product efforts and company-wide product strategy reviews. She also served as a Director and Group Product Manager for Google Now from March 2013 to April 2016, was a Senior Product Manager on Google Search from September 2010 to February 2013, and began her career with the company leading a team of 30 research scientists and engineers in the development of new algorithmic features for YouTube and Google from July 2008 to September 2010. Prior to joining Google, Ms. Chennapragada served in various roles at Akamai Technologies, Inc. from September 1999 to June 2008.

Additional Public Directorships (current):



None

18 CAPITAL ONE FINANCIAL CORPORATION **2019 PROXY STATEMENT**

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Ann Fritz Hackett

Partner and Co-Founder, Personal Pathways, LLC

Lead Independent Director

Director Since: 2004

Age: 65

Ms. Hackett has more than 30 years of experience in developing and leading critical strategic and human capital initiatives. She has worked with boards of directors, chief executive officers and senior executives to identify strategic opportunities and execute solutions during periods of business and financial challenges and transformation. Ms. Hackett also has experience in corporate governance and risk matters as a result of her participation with public company boards of directors and related governance committees, non-profit boards and consulting engagements.

Capital One Committees:

Compensation Committee

Governance and
Nominating
Committee (Chair)

Risk Committee

Ms. Hackett is currently a partner of Personal Pathways, LLC, a technology company she co-founded in 2007 to provide companies with a web-based enterprise collaboration insights platform to better advance high performance professional relationships and support the kind of complex problem-solving required in today's distributed workplace. Prior to her current role at Personal Pathways, in 1996 she founded and served as the President of Horizon Consulting Group, LLC, providing global consumer product and service companies with innovative strategy and human capital initiatives. Prior to launching Horizon Consulting, Ms. Hackett spent 11 years at a leading national strategy consulting firm where she served as Vice President and Partner, served on the Management Committee, led Human Resources, and developed her expertise in strategy, managing cultural change, creating performance management processes and a performance-based culture, developing leadership talent, and planning for executive succession. Ms. Hackett is also a member of Tapestry Networks' Lead Director Network, a select group of lead directors who collaborate on matters regarding board leadership. She also previously served as a director of Beam, Inc. (formerly Fortune Brands, Inc.) from December 2007 until April 2014.

Capital One Companies:

Capital One, National Association

Additional Public Directorships (current):

Fortune Brands Home & Security, Inc.

Peter Thomas Killalea

Owner and President, Aoinle, LLC; Former Vice President of Technology, Amazon.com

Director Since: 2016

Age: 51

Mr. Killalea, a seasoned technology executive and advisor, has deep expertise in product development, digital innovation, customer experience, and security.

Capital One Committees:

Compensation Committee

Mr. Killalea is currently the Owner and President of Aoinle, LLC, a consulting firm he founded in November 2014 to provide advice to technology-driven companies. From May 1998 to November 2014, Mr. Killalea served in various leadership roles at Amazon, most recently as its Vice President of Technology for the Kindle Content Ecosystem. He led Amazon's Infrastructure and Distributed Systems team, which later became a key part of the Amazon Web Services Platform. Prior to that, he served as Amazon's Chief Information Security Officer and Vice President of Security.

Risk Committee

Capital One Companies:

Mr. Killalea also currently serves on the editorial board of ACM Queue (Association for Computing Machinery). He previously served on the board of Xoom Corporation (acquired by PayPal Inc.) from March 2015 to November 2015.

Capital One, National Association

Additional Public Directorships (current):

Akamai Technologies, Inc.

Carbon Black

MongoDB, Inc.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

<p>Director Since: 2019 (new nominee) Age: 57</p> <p>Capital One Committees:</p> <p>Audit Committee Risk Committee</p> <p>Capital One Companies:</p> <p>None</p>	<p><i>Eli Leenaars</i></p> <p><i>Vice Chairman of the Global Wealth Management Division, UBS Group AG</i></p> <p>Mr. Leenaars has over 30 years of experience in the financial services sector, including institutional and investment banking, asset management, corporate and retail banking, and in cultivating sophisticated client relationships. A respected expert on the future of digital banking, as well as global industry trends in finance, investment, banking, and leadership, Mr. Leenaars has experience managing businesses through a wide range of matters including complex corporate restructuring, strategic initiatives, and challenging financial environments.</p> <p>Mr. Leenaars has served as Vice Chairman of the Global Wealth Management Division at UBS Group AG, a Swiss multinational investment bank and financial services company, since April 2015. In this role, he engages on senior relationship management with a focus on UBS' largest non-U.S. clientele. Prior to joining UBS, Mr. Leenaars enjoyed a 24-year career at ING Group N.V., a Dutch multinational banking and financial services company, and various of its subsidiaries. From January 2010 until March 2015, he served as the CEO of ING Retail Banking Direct and International for ING, where he was responsible for Retail Banking and Private Banking worldwide. This included serving as CEO of ING Direct N.V., the parent company of ING Direct in the U.S., which pioneered the national direct deposit platform. Between 2004 and 2010, Mr. Leenaars was also member of ING's Executive Board with responsibility for ING's Global Retail and Private Banking operations and Group Technology and Operations. In addition, Mr. Leenaars previously served as a member of our Board from May 2012 to September 2012 in connection with Capital One's acquisition of ING Direct.</p> <p>Mr. Leenaars is a member of the Supervisory Board of the Royal Concertgebouw (Amsterdam) and member of the Executive Committee of the Trilateral Commission (Paris, Tokyo, and Washington, DC).</p>
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Additional Public Directorships (current):

None

Pierre E. Leroy

Director
Since: 2005

Managing Partner, Aspiture, LLC

Age: 70

Capital One Committees:

Mr. Leroy has a deep knowledge and understanding of business operations and complex financial requirements through his experience as CEO and Executive Chairman of a digital analytic software company and managing partner of an advisory and consulting business, in addition to his experience leading and managing large complex international marketing, engineering and manufacturing organizations and serving on other public company boards.

Audit Committee

Compensation Committee

In 2015, Mr. Leroy established Aspiture, LLC, an advisory and private equity firm which invests primarily in digital companies offering unique customer solutions. Prior to launching Aspiture, Mr. Leroy served in various leadership roles at Vigilant Solutions, Inc. (formerly Vigilant Video, Inc.), an industry-leading pioneer of innovative intelligence solutions that help law enforcement protect officers, families and communities. These leadership roles included Executive Chairman of Vigilant (from March 2012 to 2015), and as Chief Executive Officer (from July 2012 until June 2013).

Capital One Companies:

Capital One Bank (USA),
 National Association

Mr. Leroy spent much of his professional career at Deere & Company, a world leader in providing advanced products and services for agriculture, forestry, construction, lawn and turf care, landscaping and irrigation, which also provides financial services worldwide and manufactures and markets engines used in heavy equipment. While at Deere & Company, Mr. Leroy served as President of both the Worldwide Construction & Forestry Division and the Global Parts Division before retiring in 2005, and also served in a number of positions in finance, including Treasurer, Vice-President and Treasurer, and Senior Vice-President and Chief Financial Officer. Mr. Leroy has also served as a director on the boards of United Rentals, Inc. (from April 2012 to May 2015), RSC Holdings Inc. and RSC Equipment Rental from (May 2008 to April 2012 (when RSC was acquired by United Rentals), and Beam, Inc. (formerly Fortune Brands, Inc.) (from September 2003 to February 2012).



Additional Public Directorships (current):

None

Table of Contents**SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE**

<p>Director Since: 2019 (new nominee) Age: 47</p> <p>Capital One Committees:</p> <p>None</p> <p>Capital One Companies:</p> <p>None</p>	<p><i>François Locoh-Donou</i></p> <p><i>President, Chief Executive Officer, and Director, F5 Networks, Inc.</i></p> <p>Mr. Locoh-Donou has nearly two decades of enterprise technology experience, building a wide range of product teams, and operations around the world. He is well known for his ability to envision where industries are going and inspire organizations to identify and execute on future growth opportunities especially in the areas of cloud, software, analytics, and security.</p> <p>In April 2017, Mr. Locoh-Donou was hired as the President and Chief Executive Officer of F5 Networks, where he has refocused the company on Applications Services Software (including Security) for Multi-Cloud environments. He is also the only management member of the F5 Board of Directors. Prior to joining F5, Mr. Locoh-Donou held successive leadership positions at Ciena Corporation (from 2002 to March 2017), a network strategy and technology company, including Chief Operating Officer; Senior Vice President, Global Products Group; Vice President and General Manager, EMEA; Vice President International Sales; and Vice President and Marketing. Prior to joining Ciena, Mr. Locoh-Donou held research and development roles with Photonetics, a French opto-electronics company.</p> <p>Mr. Locoh-Donou is also the co-founder and Chairman of Cajou Espoir, a cashew-processing facility that employs several hundred people in rural Togo, 80 percent of whom are women.</p> <p>Additional Public Directorships (current):</p> <p>F5 Networks, Inc.</p>
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Peter E. Raskind

Former Chairman, President and Chief Executive Officer, National City Corporation

Director
Since: 2012

Age: 62

**Capital One
 Committees:**

Governance and
 Nominating
 Committee

Risk Committee
 (Chair)

**Capital One
 Companies:**

Capital One Bank
 (USA),
 National
 Association

Mr. Raskind has more than 30 years of banking experience, including in corporate banking, retail banking, wealth management/trust, mortgage, operations, technology, strategy, product management, asset/liability management, risk management and acquisition integration. Through his extensive banking career, he has served in a number of leadership roles and held positions of successively greater responsibility in a broad range of consumer and commercial banking disciplines, including cash management services, corporate finance, international banking, wealth management and corporate trust, retail and small business banking, operations and strategic planning.

Most recently, Mr. Raskind was a consultant to banks and equity bank investors as the owner of JMB Consulting, LLC, which he established in February 2009 and managed through 2017. Prior to founding JMB Consulting, Mr. Raskind served as Chairman, President and Chief Executive Officer of National City Corporation, one of the largest banks in the United States, until its merger with PNC Financial Services Group in December 2008. Mr. Raskind has served as a director of United Community Banks, Inc. and Visa USA and Visa International. He also served on the board of directors of the Consumer Bankers Association, was a member of the Financial Services Roundtable, and on the executive committee of the National Automated Clearing House Association. In addition, Mr. Raskind served as Interim Chief Executive Officer of the Cleveland Metropolitan School District in 2011, and in 2010, he served as Interim Chief Executive Officer of the Cleveland-Cuyahoga County Port Authority.

Additional Public Directorships (current):

None

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Director
Since: 2003

Age: 64

Capital One Committees:

Compensation Committee
 (Chair)

Governance and Nominating Committee

Capital One Companies:

Capital One, National Association

Mayo A. Shattuck III

Chairman, Exelon Corporation; Former Chairman, President and Chief Executive Officer, Constellation Energy Group

Mr. Shattuck has decades of experience in global corporate finance and lending, corporate strategy, capital markets, risk management, executive compensation and private banking, has led two large, publicly held companies and has served on other public company boards.

Mr. Shattuck is currently Chairman of the Board of Chicago-based Exelon Corporation, the nation's largest competitive energy provider and commercial nuclear plant operator. He previously served as Executive Chairman of the Board of Exelon from March 2012 through February 2013. Prior to its merger with Exelon, Mr. Shattuck was Chairman, President and Chief Executive Officer of Constellation Energy Group, a leading supplier of electricity to large commercial and industrial customers, a position he held from 2001 to 2012.

Mr. Shattuck also has extensive experience in the financial services industry. He was previously at Deutsche Bank, where he served as Chairman of the Board of Deutsche Banc Alex. Brown and, during his tenure, also served as Global Head of Investment Banking and Global Head of Private Banking. From 1997 to 1999, Mr. Shattuck served as Vice Chairman of Bankers Trust Corporation, which merged with Deutsche Bank in 1999. In addition, from 1991 to 1997, Mr. Shattuck was President and Chief Operating Officer and a director of Alex. Brown & Sons, a major investment bank, which merged with Bankers Trust in 1997. Mr. Shattuck is the former Chairman of the Institute of Nuclear Power Operators.

Additional Public Directorships (current):

Alarm.com

Exelon Corporation

Gap, Inc.

Bradford H. Warner

Former President of Premier and Small Business Banking, Bank of America Corporation

Director
Since: 2008

Age: 67

Mr. Warner has deep experience in a broad range of commercial, consumer, investment and international banking leadership roles, as well as in corporate banking functions, customer relationships, corporate culture change management, enterprise risk management, and technology.

Capital One Committees:

Mr. Warner served in a variety of executive positions at BankBoston, FleetBoston and Bank of America from 1975 until his retirement in 2004. These positions included President of Premier and Small Business Banking, Executive Vice President of Personal Financial Services, and Vice Chairman of Regional Bank.

Audit Committee (Chair)

Risk Committee

Capital One Companies:

Throughout his banking career, Mr. Warner served in leadership roles for many of the major business lines and functional disciplines that constitute commercial banking, including leadership of retail and branch banking, consumer lending (credit cards, mortgage and home equity), student lending and small business; various corporate banking functions, including community banking and capital markets businesses, such as underwriting, trading and sales of domestic and international fixed income securities, foreign exchange and derivatives; international banking businesses in Asia, northern Latin America and Mexico; and several investment-related businesses, including private banking, asset management and brokerage. He also served on the most senior management policy and governance committees at BankBoston, FleetBoston and Bank of America.

Capital One Bank (USA),
National Association

Additional Public Directorships (current):

None

22 CAPITAL ONE FINANCIAL CORPORATION **2019 PROXY STATEMENT**

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Director
Since: 2013

Age: 59

Capital One Committees:

Audit Committee

Risk Committee

Capital One Companies:

Capital One Bank (USA), National Association

Catherine G. West

Former Special Advisor, Promontory Financial Group; Former Associate Director and Chief Operating Officer, Consumer Financial Protection Bureau

Ms. West has a multifaceted background in financial services with more than 30 years of experience in financial services operations, business line management (P&L), regulatory matters, technology platform conversions, process automation and innovation, and strategy development. She has experience in initial public offerings, and mergers and acquisitions, and has a keen understanding of business strategy, operations, and the regulatory perspective in the financial services industry.

Ms. West served as a Special Advisor to Promontory Financial Group, a financial services consulting firm, from May 2013 until her departure in October 2013, and as Managing Director from April 2012 until April 2013. From March 2011 to April 2012, Ms. West was the Associate Director and Chief Operating Officer of the Consumer Financial Protection Bureau (the CFPB) a federal agency tasked with regulating U.S. consumer protection with regard to financial services and products, where she led the start-up of the agency’s infrastructure. While at the CFPB, Ms. West also played an integral part in implementing a Consumer Response unit designed to solicit views from consumers regarding their experiences with financial institutions and leveraged those views to effect policy change. Prior to joining the CFPB, she served as the Chief Operating Officer of J.C. Penney from August 2006 to December 2006. Ms. West was an executive officer at Capital One Financial Corporation from March 2000 to July 2006, where she served in roles that included President of the U.S. Card business and Executive Vice President of U.S. Consumer Operations. Prior to her time at Capital One, Ms. West spent over 10 years primarily in consumer card banking at several institutions.

Additional Public Directorships (current):



None

Board Leadership Structure

Our Board has carefully considered the critical issue of Board leadership in the context of Capital One's specific circumstances, culture, strategic objectives and challenges. The diverse backgrounds and experiences of our directors provide the Board with broad perspectives from which to determine the leadership structure best suited for Capital One and the long-term interests of Capital One's stockholders and other stakeholders.

We believe that our existing Board leadership structure, with Mr. Fairbank acting as CEO and Chairman of the Board, provides the most effective governance framework and allows our Company to benefit from Mr. Fairbank's talent, knowledge, and leadership as the founder of Capital One and allows him to use the in-depth focus and perspective gained in running the Company to effectively and efficiently lead our Board. Capital One appropriately maintains strong independent and effective oversight of our business and affairs through our empowered Lead Independent Director; all-independent Board committees with independent chairs that oversee the Company's operations, risks, performance and business strategy; experienced and committed directors; and frequent executive sessions without management (including Mr. Fairbank) in attendance.

Lead Independent Director

Our Board believes that an active, empowered Lead Independent Director is key to providing strong, independent leadership for the Board. The Lead Independent Director position, elected annually by the disinterested independent directors upon the recommendation of the Governance and Nominating Committee, is a critical aspect of our corporate governance framework.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

The Lead Independent Director's responsibilities include:

Board Leadership

Organizing and presiding over executive sessions

Setting the agendas for and leading executive sessions

Has authority to call meetings of the independent directors

Soliciting feedback for and engaging the CEO on executive sessions

Advising the Chairman of the Board on the retention of advisors and consultants who report directly to the Board

Advising the Governance and Nominating Committee and the Chairman of the Board on the membership of Board committees and the selection of committee chairs

Acting as a key advisor to the CEO on a wide variety of Company matters

Board Culture

Serving as liaison between the Chairman of the Board and the independent directors

Facilitating discussion among the independent directors on key issues and concerns outside of Board meetings

Ensuring Board discussions demonstrate effective challenge of management

Facilitating teamwork and communication among the independent directors

Fostering an environment that allows for engagement and commitment of Board members

Board Meetings

Approving meeting agendas for the Board

Approving information sent to the Board

Approving meeting schedules and working with the Chairman of the Board and committee chairs to assure there is sufficient time for discussion of all agenda items

Presiding at all meetings of the Board at which the Chairman of the Board is not present

Performance and Development

Leading the annual performance assessment of the CEO

Facilitating the Board's engagement with the CEO and CEO succession planning

Leading the Board's annual self-assessment and recommendations for improvement, if any

Stockholder Engagement

If requested by larger stockholders, ensuring that he or she is available for consultation and direct communication

Reviewing stockholder communications addressed to the full Board, to the Lead Independent Director, or to the independent directors, as appropriate

In evaluating candidates for Lead Independent Director, the independent directors consider several factors, including each candidate's corporate governance experience, Board service and tenure, leadership roles, and ability to meet the necessary time commitment. For an incumbent Lead Independent Director, the independent directors also consider the results of the candidate's annual Lead Independent Director assessment, as described in Annual Assessment of the Lead Independent Director below.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Annual Assessment of the Lead Independent Director

To support the independent directors in electing a Lead Independent Director, the Governance and Nominating Committee oversees an annual process to evaluate the effectiveness of the Lead Independent Director. Each year the Governance and Nominating Committee designates one independent director as the facilitator, who solicits input and feedback from all directors on the performance and effectiveness of the Lead Independent Director. The facilitator shares the results with the Governance and Nominating Committee and, as appropriate, the Board, without the Lead Independent Director present. The independent directors consider the results of this assessment in the annual election of the Lead Independent Director.

Our Lead Independent Director is currently Ms. Hackett. As Lead Independent Director, Ms. Hackett has a strong record of active engagement both inside and outside the board room, including regular meetings with federal regulators and company executives in one-on-one and group settings. Ms. Hackett is also an active member of Tapestry Networks' Lead Director Network, a select group of lead independent directors from America's most successful companies who share a commitment to improving corporate performance and earning stockholder trust through more effective board leadership. Leveraging her significant experience serving in leadership capacities in a variety of environments, Ms. Hackett has fostered a culture of collaboration, diligence, trust and mutual respect that allows the Board to work effectively to provide oversight of and effective challenge to management. Based on her performance, the independent directors unanimously supported Ms. Hackett's re-election as Lead Independent Director for a one-year term beginning May 2018.

Key Board Governance Practices

2018 Board Meetings and Attendance

The Board held 21 meetings and the Board's committees collectively held 40 meetings

All directors then serving attended the 2018 Annual Stockholder Meeting, and Capital One expects all of the director nominees to attend the 2019 Annual Stockholder Meeting

Each of our current directors attended at least 75% of the aggregate number of the meetings of the Board and the committees on which they served during the period the director was on the Board or committee

Director Onboarding and Education

The Company, in consultation with the Governance and Nominating Committee, has established a director onboarding and continuing education program to support our directors in fulfilling their responsibilities as members of the Board and to assist them in keeping current on industry, corporate, and other developments relevant to their work as directors. First, all new directors participate in the Company's director onboarding program to familiarize them with

the Company's values, strategic plans, accounting policies, financial reporting, risk management, code of ethics, key regulatory issues, competition, and industry dynamics. During this program, over a period of 18 months, new directors meet with members of senior management from all of the business and staff areas, as well as Board Committee Chairs, the Lead Independent Director, and individual directors, to review and discuss information about the Company, the business, the boardroom, and individual director roles and responsibilities. Our continuing education program then helps keep directors current on industry, corporate and other developments relevant to their work as directors by providing: (i) semi-annual updates on director education programs offered by applicable regulators, professional organizations, and academic institutions; (ii) internal director education programs; (iii) various board-related publications to Board members; and (iv) access to peer-to-peer networks. Our directors are also encouraged to pursue other educational opportunities, at the Company's expense, that may enable them to better perform their duties.

Executive Sessions

Executive sessions of independent directors of the Board are led by the Lead Independent Director and are an important governance practice because they enable the Board to discuss matters, such as strategy, CEO and senior management performance and compensation, succession planning and board effectiveness without

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

management present. Our independent directors meet in executive session without management at least once annually and, in 2018, the independent directors met four times in executive session. During these executive sessions, the independent directors have complete access to such members of the Company's senior executive management as they may request, including but not limited to the CEO, CFO, Corporate Secretary, General Counsel, Chief Risk Officer, Chief Audit Officer, Chief Credit Review Officer and Chief Compliance Officer. The Lead Independent Director and/or any director may request additional executive sessions of independent directors.

Directors Are Actively Engaged Outside of Board Meetings

Engagement outside of Board meetings provides our directors with additional insight into our business and our industry. It also provides our Board with valuable perspective on the performance of our Company, Board, CEO and other members of senior management.

Our committee chairs and Lead Independent Director meet and speak regularly with each other and with both the CEO and members of our management team, as well as with our federal regulators, usually independently of the CEO.

Our committee chairs and Lead Independent Director conduct pre-meeting reviews of agendas and provide feedback directly to management. After Board meetings, the Committee Chairs and Lead Independent Director conduct post-meeting debriefs with management to discuss any follow-up items.

Individual directors confer with each other and with our CEO, members of our senior management team and other key associates as needed.

Annual Board and Committee Evaluations

In order to monitor and improve their effectiveness, and to solicit and act upon feedback received, the Board and its committees hold a formal self-evaluation process. The Board believes that in addition to serving as a tool to evaluate and improve performance, evaluations can serve several other purposes, including the promotion of good governance, integrity of financial reporting, reduction of risk, strengthening of the board-management partnership, and helping set and oversee board expectations of management. In assessing their performance, the Board and its committees take a multi-year perspective to identify and evaluate trends and assure themselves that areas identified for improvement are appropriately and timely addressed.

To ensure the process stays fresh and continues to generate rich insights, the Board follows a cyclical, programmatic approach when conducting Board and committee evaluations. This approach includes regular, holistic reviews of the evaluation framework, methodology and form. While the Board and each of its committees conducts a formal evaluation annually, the Board considers its performance and that of its committees continuously throughout the year and shares feedback with management.

26 CAPITAL ONE FINANCIAL CORPORATION **2019 PROXY STATEMENT**

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

As part of the Board's self-evaluation process, directors consider various topics related to Board composition, structure, effectiveness and responsibilities and the overall mix of director skills, experience, and background. Specifically, topics considered during the 2018 annual Board and committee self-evaluations process included:

Board engagement, culture and setting the tone at the top

Board leadership including the Lead Independent Director's role and Chairman of the Board's role

Oversight of and engagement in corporate strategy (both short- and long-term strategic objectives) and Company performance

Oversight of the CEO, executive compensation, and assessment

CEO and executive talent development and succession planning

Access to Company executives and associates

Board and committee composition including director skills, background, diversity, and new director recruiting activities

Oversight of enterprise risk, including the stature of the risk management function and appropriateness of the Company's risk appetites and risk management in light of the scale and complexity of the Company's business

Overall Board governance including quality and quantity of materials and information, conduct of meetings and support for those activities from management

In future years, the Board and its committees may conduct their annual evaluations in a different manner, such as through group discussions in executive session, individual director interviews and/or engagement of a third-party

facilitator.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Annual Assessment of Director Nominees

Each year the Chair of the Governance and Nominating Committee conducts an individual director assessment process. This process includes candid, one-on-one discussions between the Governance and Nominating Committee's Chair and each Board member regarding the individual performance and effectiveness of the directors nominated by the Board for re-election by Capital One's stockholders. Directors may also provide feedback on any other individual director's performance at any time, regardless of whether it is part of the formal assessment process. The Lead Independent Director is also assessed annually through a process facilitated by another independent member of the Board. See "Annual Assessment of the Lead Independent Director" beginning on page 25 for a description of that process.

Annual Performance Assessment of the CEO

Under the direction of our Lead Independent Director, the independent directors of the Board annually assess the performance of Mr. Fairbank as Capital One's CEO. The Governance and Nominating Committee is responsible for developing and overseeing the process, facilitated by the Lead Independent Director and involving all independent directors, for conducting the CEO's annual performance evaluation. This process includes an in-depth discussion of performance by the independent directors in executive session during which directors consider a variety of factors to evaluate Mr. Fairbank's performance and feedback raised through Board discussion and self-assessment materials provided by Mr. Fairbank to the Board regarding his and the Company's performance and achievements for various subjective and objective metrics. For additional information, see "Chief Executive Officer Compensation" beginning on page 56.

The annual CEO performance assessment is completed as part of the end-of-year compensation process. The Compensation Committee manages end-of-year compensation decisions within the context of such assessment, and the Lead Independent Director and Chair of the Compensation Committee jointly share the input and feedback of the CEO performance assessment with Mr. Fairbank in a closed session.

Table of Contents**SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE*****The Board's Role in Corporate Oversight***

Our Board is accountable for oversight of Capital One's business affairs and operations. In carrying out this responsibility, among other things, the Board oversees management's development and implementation of the Company's (i) corporate strategy; (ii) financial performance and associated risks; (iii) the enterprise-wide risk management framework, including cyber risk; and (iv) succession planning for the Company's CEO and other key executives.

The Board's Role in Overseeing Corporate Strategy. The Board, in fulfilling its responsibility to manage risk and maximize long-term stockholder value, is accountable for reviewing and overseeing the creation and implementation of Capital One's corporate strategy. The Board expects management, with input from the Board, to develop, communicate, and implement a strategy that allows Capital One to: (i) invest in long-term capabilities and opportunities; (ii) secure competitive, endgame positions in our key businesses; (iii) attract and retain customers; (iv) grow resiliently; (v) promote ethical behavior and compliance with applicable laws and regulations; (vi) withstand economic stress and market volatility; and (vii) conform to the Board's established risk tolerance. These strategies should deliver long-term benefits and returns to our stakeholders, including our stockholders, regulators, customers, associates, and communities in which we operate.

The development of Capital One's strategy is an ongoing, iterative process that includes engagement from and between the CEO, Division Presidents, the CFO, the General Counsel, the Corporate Secretary, the Chief Risk Officer, the Chief Audit Officer, and the Board. Each year, the full Board participates in an annual Board Strategy Meeting that provides an opportunity for the Board to engage with the CEO and key senior leaders in assessing the competitive environment and Capital One's enterprise and divisional strategies, and to provide effective challenge, feedback, and input on the company's long-term strategy and investments. In addition, the Board approves the long-term strategic plan. As the year progresses, the Board remains engaged in overseeing the implementation and monitoring of Capital One's strategy through updates by the CEO on enterprise corporate strategy and by Division Presidents on business line strategies and results. These updates typically include business line performance and outlook, external and competitive trends, key investment opportunities, and risk evaluation and mitigation strategies. This approach allows the Board to engage in informed discussions with management regarding financial performance and trajectory, capital allocation, strategy implementation, and risk-mitigation plans, where appropriate.

The Board's Role in Overseeing Financial Performance and Associated Risks. The Board oversees the Company's financial performance by reviewing with management, on a regular basis, the Company's quarterly and annual financial statements. The Audit Committee oversees the integrity of the Company's financial statements by, among other things, obtaining independent assurance as to the completeness and accuracy of its financial statements from an independent registered public accounting firm, whose qualifications, independence and performance it reviews on an annual basis. The Audit Committee also oversees the integrity of the Company's internal controls over financial reporting by, among other things, reviewing periodic assessments of the adequacy and effectiveness of the Company's financial controls performed by both the Company's independent registered public accounting firm and internal audit function. In addition, the Board,

either directly or through the Risk Committee, plays an integral role in the oversight of capital planning and adequacy, funding and liquidity risk management, market risk management, investment portfolio management, and other asset liability management matters.

The Board's Role in Risk Oversight. The Board believes that effective risk management and control processes are critical to Capital One's safety and soundness, our ability to predict and manage the challenges that Capital One and the financial services industry face and, ultimately, Capital One's long-term corporate success.

The enterprise-wide risk management framework defines the Board's appetite for risk taking and enables senior management to understand, manage and report on risk. The risk management framework is implemented enterprise-wide and includes eight risk categories: compliance, credit, legal, liquidity, market, operational, reputational and strategic. Management has developed risk appetite statements with accompanying metrics which are meaningful to the organization and reflect the aggregate level and types

Table of Contents**SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE**

of risk Capital One is willing to accept in order to achieve its business objectives, clarifying both risks the Company is actively taking and risks that are purposely avoided.

The Risk Committee is responsible for the oversight of enterprise risk management for the Company, and is responsible for reviewing and recommending to the Board for approval certain risk tolerances taking into account the Company's structure, risk profile, complexity, activities, size, and other appropriate risk-related factors. Within management, enterprise risk management is generally the responsibility of the Chief Risk Officer, who has accountability for proposing risk tolerance and reporting levels related to all eight risk categories. The Chief Risk Officer is also responsible for ensuring that the Company has an overall enterprise risk framework and that it routinely assesses and reports on enterprise level risks. The Chief Risk Officer reports both to the CEO and to the Risk Committee. The Audit Committee also plays an important risk oversight function, and oversees elements of compliance and legal risk. Each committee of the Board oversees reputational risk matters within the scope of their respective responsibilities. Finally, the Board as a whole oversees the entire enterprise risk framework for the Company, including the oversight of strategic risk.

The Board's Role in Overseeing Cyber Risk. As a financial services company entrusted with the safeguarding of sensitive information, our Board believes that a strong enterprise cyber program is vital to effective cyber risk management. Accordingly, our Board is actively engaged in the oversight of the Company's cyber risk profile, enterprise cyber program and key enterprise cyber initiatives. The Risk Committee receives regular updates from management on its cyber event preparedness efforts. The Risk Committee receives regular quarterly reports from the Chief Information Security Officer on the Company's cyber risk profile and enterprise cyber program and meets with the Chief Information Security Officer at least twice annually. The Risk Committee also meets periodically with third-party experts, as appropriate, to evaluate the Company's enterprise cyber program. The Risk Committee annually reviews and recommends the Company's information security policy and information security program to the Board for approval. The Risk Committee is also responsible for overseeing cyber, information security, and technology risk, as well as management's actions to identify, assess, mitigate, and remediate material issues. At least annually, the Board reviews and discusses the Company's technology strategy with the Chief Information Officer and approves the Company's technology strategic plan. Additionally, the Risk Committee receives and reviews reports from the Chief Information Officer and the Chief Information Security Officer regarding significant cyber incidents impacting the Company, including management's assessment of the root cause and relevant learnings from the incident.

The Board's Role in Succession Planning. Under the Corporate Governance Guidelines, the Board is responsible for maintaining a succession plan for the CEO. The Board has in place an effective planning process to select successors to the CEO and annually reviews the CEO succession plan. Our Board believes that the directors and the CEO should work together on succession planning and that the entire Board should be involved. Each year, as part of its succession planning process, our CEO provides the Board with recommendations on, and evaluations of, potential CEO successors. The Board reviews the senior executive team's experience, skills, competencies and potential to assess which executives possess or can develop the

attributes that the Board believes are necessary to lead and achieve the Company's goals. Among other steps taken to promote this process throughout the year, the two levels of executives below the CEO, which include the CEO's direct reports, often attend Board meetings and present to the Board, providing the Board with numerous opportunities to interact with our senior management and assess their leadership capabilities.

Our Board also has established steps to address emergency CEO succession planning for an unplanned CEO succession event. Our emergency CEO succession planning is intended to enable our Company to respond to an unexpected CEO transition by continuing our Company's safe and sound operation and minimizing potential disruption or loss of continuity to our Company's operations and strategy. There is also available, on a continuing basis as a result of the process described above, the CEO's recommendation on a successor should the CEO become unexpectedly unable to serve. The Board also reviews annually the CEO's emergency successor recommendations.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Risk Assessment of Compensation Policies and Practices

The Compensation Committee oversees all of our compensation policies and practices, including our incentive compensation policies and practices, with a view towards ensuring that such policies and practices encourage balanced risk-taking, are compatible with effective controls and risk management, and align with our business strategy. Annually, the Compensation Committee reviews and approves the Incentive Compensation Governance Policy which applies to all Company associates and governs incentive compensation decisions. The Incentive Compensation Governance Policy provides the framework for oversight of the design of incentive compensation programs. In setting executive compensation, the Compensation Committee assesses each of the named executive officers against one or more performance objectives specifically designed to evaluate the degree to which the named executive officers balanced risks inherent in their specific roles. The Compensation Committee also implements additional risk-balancing features for certain equity awards, as described in more detail in the Compensation Discussion and Analysis beginning on page 48.

In addition, the Compensation Committee reviews the Company's named executive officer and other senior executive compensation programs as well as any other material incentive compensation programs. During these reviews, the Compensation Committee discusses the Company's most significant risks, including the Company's status with respect to managing those risks and the relationship of those risks to compensation programs. The review includes discussion and analysis of risk-balancing features embedded in these incentive compensation programs and other actions taken by the Company to appropriately balance risk and achieve conformance with regulatory guidance. The Compensation Committee also discusses these programs with the Company's Chief Risk Officer, Chief Human Resources Officer and the Compensation Committee's independent compensation consultant, as appropriate. Based on these discussions, the Compensation Committee believes these compensation programs are consistent with safety and soundness and operate in a manner that appropriately balances risk.

The Compensation Committee's active oversight, together with the Company's interactions and discussions with its regulators, has further enhanced the Company's risk management and control processes with respect to incentive compensation at the Company and supported our continued compliance with the interagency guidance on sound incentive compensation practices.

Stockholder Engagement Program

We value the input and insights of our stockholders and are committed to continued engagement with investors. As a result, we engage in continuous outreach to enable meaningful engagement and report feedback to our Board to help them drive results. In 2018, we engaged in direct outreach and discussions with stockholders representing approximately 65% of our outstanding shares. Key topics of focus included environmental, social and governance matters, company strategy and results, board composition, our special meeting threshold, and executive compensation performance metrics.

Continuous Outreach. Our CEO, CFO, and Investor Relations team meet frequently with stockholders and the investment community. In addition, members of management, including our Investor Relations, Corporate Governance, and Executive Compensation teams, as well as our General Counsel, Corporate Secretary and CFO, meet with key governance contacts at our larger stockholders throughout the year.

Meaningful Engagement. Our goal is to engage in a manner characterized by both transparency and respect, fostering collaborative and mutually beneficial discussions. Depending on the topics discussed with investors, our engagement with stockholders may include our Lead Independent Director, the Chair of the Compensation Committee or the Chair of the Governance and Nominating Committee (if different from our Lead Independent Director).

Regular Board Reporting. The Governance and Nominating Committee, Compensation Committee, and the Board request and receive reports several times a year from our Investor Relations team and

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

members of management and actively discuss stockholders' feedback and insights. Our Board and management review and evaluate stockholder input to identify issues and concerns that may require Board action or enhancements to our policies, practices or disclosure.

Stockholder-Driven Improvements. In recent years, in response to stockholder feedback, we have made significant improvements to our corporate governance and executive compensation practices and disclosures:

Expanded disclosure in our proxy statement regarding our approach to corporate social responsibility: People, Community, and Environment in response to discussions held with investors during the Company's formal stockholder outreach and as a result of management's and the Board's continuous benchmarking against emerging governance practices. See **Environmental, Social and Governance Practices** beginning on page 41 for more information.

Introduced new metrics for our performance share program, more closely aligning pay and performance, and increased the rigor of relative Company performance governing payouts applicable to performance share awards. See **Performance Share Award** beginning on page 58 for more information.

Beginning in 2019, the Compensation Committee (the **Committee**) and the other independent members of our Board of Directors (the **Independent Directors**) increased the alignment of CEO compensation with Company performance and stockholder interests by increasing the percentage of the CEO's total target compensation tied to a year-end evaluation of CEO and Company performance from 40% to 90%. The Committee and the Independent Directors believe that this structure further aligns Mr. Fairbank's compensation with that of the Company's peers and provides the opportunity for the Committee and the Independent Directors to assess the Company and the CEO's performance at the end of the year and incorporate feedback from stockholders received during the performance year to ensure that the CEO's performance year compensation appropriately reflects the Company's compensation philosophy and principles. See **2019 CEO Compensation Program** beginning on page 65 for more information.

Provided greater transparency regarding the Committee's use of discretion, particularly regarding the year-end incentive awards granted to the named executive officers. See **Use of Discretion** on page 56 for more information.

Stockholder Engagement on our Special Meeting Threshold. In 2018, following receipt of a stockholder proposal requesting a reduction in the ownership threshold required for stockholders to request that the Company call a special meeting, the Company proposed a management proposal seeking stockholder ratification of the existing 25% threshold. This ratification proposal passed (receiving the support of 54% of votes cast). As part of the Company's robust, ongoing year-around investor outreach program, the Company

engaged with our stockholders to obtain their views on governance matters, including our special meeting threshold. As part of this outreach, before the ratification vote, we contacted 30 of our largest stockholders representing approximately 62% of our outstanding shares, nine of which (representing approximately 39% of outstanding shares) agreed to meet with us. In addition, following the ratification vote, we contacted 15 of our largest stockholders representing 55% of our outstanding shares, six of which (representing approximately 22% of outstanding shares and including some stockholders we spoke to in advance of the ratification vote) agreed to meet with us. Over the course of those 15 discussions, our stockholders provided a wide range of views on special meeting thresholds in general. However, in our engagement with stockholders following the ratification vote, none expressed strong views that the Board should take action to reduce the existing threshold and, as a result, we are not proposing any changes to our stockholder meeting ownership threshold for this year's annual meeting.

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

We Engage Across Many Channels

Company-Led Engagement

Dedicated Investor Relations Department. Our Investor Relations professionals are dedicated full time to respond to questions from stockholders about the Company, its strategy and performance, and other issues of investor interest.

Formal Outreach Program. In addition to continuous outreach on a broad set of topics, our formal outreach program includes proactive outreach to our largest stockholders at least twice a year focused on governance, compensation, and related issues. Through our formal outreach program, our Board and management gain stockholder insights and an opportunity to assess stockholder sentiment.

Quarterly Earnings Conference Calls. In addition to prepared remarks, our management team participates in a question-and-answer session aimed at allowing stockholders to gain further insight into the Company's financial condition and results of operations.

Regular Investor Conferences and Road-shows. Management and our Investor Relations team routinely engage with investors at conferences and other forums. During 2018, management attended 17 investor conferences.

Stockholder-Led Engagement

Meetings with Directors. If requested, our directors ensure that they are available for consultation and direct communication with our stockholders.

Voting. Our stockholders have the opportunity to vote for the election of all of our directors on an annual basis using a majority voting standard, and, through our annual vote on executive compensation, to regularly express their opinion on our compensation programs.

Annual Stockholder Meeting. Our directors are expected to, and do, attend the annual meeting of stockholders, where all of our stockholders are invited to attend, ask questions and express their views.

Written Correspondence. Stockholders may write to the Board through the Corporate Secretary at the address provided below in [How to Contact Us](#) on page 44.

Special Meetings. A stockholder or group of stockholders that hold at least 25% of our outstanding common stock may request a special meeting of stockholders.

Proxy Access. A stockholder or group of up to 20 stockholders who have owned at least 3% of the Company's outstanding common shares of voting stock continuously for at least 3 years may nominate and include in the Company's proxy statement the greater of 2 director candidates or 20% of the total Board.

Board Committees

Our Board has four standing committees: Audit, Risk, Governance and Nominating, and Compensation. Each of our committees:

Is led by an active, empowered, and independent Committee Chair

Is comprised of all independent members

Operates in accordance with a written charter, which is reviewed annually

Assesses its performance annually

Has authority to retain outside advisors, as desired

Table of Contents

SECTION I - CORPORATE GOVERNANCE AT CAPITAL ONE

Information About Our Current Board Committee Membership and 2018 Committee Meetings

Director	Audit ⁽⁶⁾	Compensation	Governance and Nominating	Risk
Richard D. Fairbank				
Aparna Chennapragada ⁽¹⁾				
Ann Fritz Hackett				
Lewis Hay, III ⁽²⁾				
Benjamin P. Jenkins ⁽²⁾				
Peter Thomas Killalea				
Eli Leenaars ⁽³⁾				
Pierre E. Leroy ⁽⁴⁾				

François Locoh-Donou ⁽⁵⁾

Peter E. Raskind

Mayo A. Shattuck III

Bradford H. Warner ⁽⁴⁾

Catherine G. West

MEETINGS HELD IN 2018

	14	9	7	10
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Chair Member

- (1) Ms. Chennapragada was appointed to the Compensation Committee and Risk Committees effective June 19, 2018.
- (2) Mr. Jenkins and Mr. Hay will retire from the Board at the Annual Stockholder Meeting to be held on May 2, 2019.
- (3) Mr. Leenaars was appointed to the Board and the Risk Committee and Audit Committee effective January 1, 2019.
- (4) The Board has identified Mr. Leroy and Mr. Warner as audit committee financial experts under the applicable Securities and Exchange Commission (SEC) rules based on their experience and qualifications; six other of our director nominees could qualify as audit committee financial experts under the relevant NYSE standards.
- (5) Mr. Locoh-Donou was appointed to the Board effective March 1, 2019.
- (6)

Each member of the Audit Committee is financially literate within the listing standards of the NYSE. No member of the Audit Committee simultaneously serves on the audit committees of more than three public companies, including Capital One.

Committee Membership Determinations

Annually, the Governance and Nominating Committee assesses and considers membership for each of the Board's standing committees. This review takes into account, among other factors, committee needs, director experience, committee succession planning and the desire to balance membership continuity with new insights.

The Chair of the Governance and Nominating Committee facilitates discussions with management, committee chairs, the Chairman of the Board, and individual directors, as needed and shares that feedback with the Governance and Nominating Committee. The Governance and Nominating Committee makes recommendations for committee membership and Chairs to the full Board.

Table of Contents