



CORPORATE GOVERNANCE REPORT

For the financial year ending 31 December 2025
Capital One (Europe) plc (the “Company”)

1. SECTION 172(1) STATEMENT

Statement of Responsibilities

During the year ending 31 December 2025, the directors of the Company (the “Board”), have acted in the way that they consider, in good faith, promoted the success of the Company for the benefit of its members as a whole, whilst having regard to its stakeholders and the matters set out in Section 172(1) of the Companies Act 2006 (the “Act”).

Effective decision making and long term value

The Board demonstrated effective decision making to promote the long-term success of the Company during 2025 in the following ways:

Review and approval of the Company’s business strategy and resource allocation:

The Board is responsible for oversight and approval of the Company’s strategy (the “Strategy”), providing direction and guidance on the medium and long-term goals of the Company. The Strategy approved by the Board for 2025 focused on matters that align with the directors’ duties under Section 172(1), such as maintaining strong relationships with the Company’s stakeholders. In 2025, the Board also approved the Company’s annual budget, ensuring the allocation of appropriate resources to deliver the Strategy in the near-term and long-term.

Review and approval of the Company’s Lending Policy:

The Board reviewed and approved the Company’s Lending Policy in 2025, which outlines the approach to extending credit to new and existing customers. Effective decision making and oversight of management regarding lending is crucial to the Company’s long-term financial success and resilient growth and underpins the Company’s relationships with its customers.

Maintaining robust governance arrangements:

The Board strives to maintain robust governance within the Company and receives regular reports from management and functions in the second- and third-lines of defence, which support the Board’s ability to make effective decisions.

Continual improvements and Board effectiveness:

The Board maintains a dedicated focus on improvements that enhance its effectiveness, including review of its purpose, administration and composition. This is facilitated and monitored under the direction of the Company Secretary and Chair. The Board enhanced its composition, appointing a further Non-Executive Director in March 2025. The Board also completed its annual review of succession planning and skills assessment to ensure future continuity for the Board to meet its long-term objectives. An external Board Effectiveness review is planned for 2026.

Stakeholder engagement:

The Board reviews a stakeholder map each year which supports the Board's consideration of who its key stakeholders are. In addition to Board activity, Executive Directors engage directly with the Company's key stakeholders as part of their management roles through a number of different activities and initiatives, which helps to ensure that Board decision-making aligns with the strategic objectives, risk appetite and the values of the Company's shareholders, each of which are other companies within the Capital One group, whilst also appropriately balancing the priorities of its other key stakeholders.

The Board's approach to engagement with its key stakeholders

Customers

The Board recognises that fostering positive relationships with the Company's customers, including understanding their needs and circumstances, is fundamental to the Company's success and achieving good customer outcomes. As such, the Company's business model and Strategy is centred on meeting people's need to borrow by creating products that enable them to use credit wisely and, therefore, to achieve good outcomes. During 2025, the Board received quarterly reports regarding the Company's interaction and engagement with its customers, particularly on areas which are central to the delivery of the Strategy. These reports included metrics to support the Board's assessment of the Company's delivery of good customer outcomes. The Board had sight of the impacts to customers from the evolving economic climate and discussed the support being provided to struggling customers

In addition, the Board received and reviewed the annual Consumer Duty report, enabling it to oversee the customer outcome monitoring completed across all lines of defence, and any actions required as a result of that monitoring, and to reinforce its expectations of management in respect of the provision and visibility of good outcomes to the Company's customers.

Their management roles also provide Executive Directors with a detailed understanding and valuable first hand experience of customers' needs, which supports them in fulfilling their directors duties under section 172(1) of the Act.

Employees

Delivery of the Strategy is driven by the Company's employees and the Board understands they are key to the Company's success. Therefore, the Board continually considers employees as part of Board discussions and decision-making. Examples of the Board's engagement with employees in 2025 included:

- Receiving information from management on the outcome of employee surveys, including employee views on topics such as engagement, inclusion and belonging, people leadership and hybrid working.

- Maintaining awareness of key workforce metrics, including hiring and attrition.
- Reviewing management's approach to ensuring employee compensation remains competitive and supports lower wage earners impacted by rising cost of living.
- In support of maintaining a positive culture, the Board oversaw the Company's approach to delivering a diverse and inclusive culture through progress reports from management.
- In support of the Company's commitments to gender representation, the Board approved reporting on the Company's Gender Pay Gap Report, and reporting relating to the 'Women in Finance Charter'.
- The Board encouraged management's continued operation in line with the Company's values and Mission, including regular discussions with management about Company culture.

Regulators, government bodies and advocacy groups

The Board understands the need for the Company to engage with its regulators, government bodies and advocacy groups, and to understand their priorities, which helps to support the Company's strategic aims. Examples of the Board's engagement relating to regulators, government bodies and advocacy groups in 2025 included:

- Deliberating on matters emanating from UK government bodies and UK/US regulators. This included: (i) review of the Company's operational resilience plans, including approval of its self assessment; (ii) approval of the Company's wind down plans; and (iii) review and approval of the Consumer Duty Report.
- Management briefings to the Board on the Company's interactions with regulators, including discussions with the FCA, as well as regulatory examinations conducted by the US Federal Reserve Board and the Office of the Comptroller of the Currency.
- As part of its regulatory and industry engagement, the Board interacted with consumer advocacy groups and stakeholders. In 2025, the Company provided insight to and gained perspective from industry and regulatory stakeholders via interactions with UK Finance and direct engagement with consumer organisations

Suppliers and partners

The Board monitors the Company's key supplier and partner relationships, which support the Company to operate effectively and deliver its Strategy. As part of this, it has oversight of how external factors may impact suppliers and therefore delivery of the Strategy and the success of the Company. Examples of the Board's oversight relating to suppliers and partners in 2025 included:

- Oversight of material changes in the Company's supply chain, supplier trends and performance data, including through updates on the performance of its Appointed Representatives (i.e. suppliers who perform regulated activity as an agent of the Company).

- Review and approval of the Company's Appointed Representatives Self-Assessment and Modern Slavery Statement.
- Noting a review of critical suppliers and material outsourcing arrangements.
- Cyber monitoring information on the Company's supply chain, providing the Board with oversight of the cyber impacts to the Company's suppliers and its business operations

Community and environment

The Board understands the value the Company can add to the community and environment, and requires management to focus on supporting community engagements. These are delivered primarily through the Company's corporate social responsibility ("CSR") and broader engagement activities. An example of the Board's engagement with community and the environment in 2025 included the Board's review and challenge of management's plans to develop a dedicated committee focused on climate related activities and requirements.

2. STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The Board approved the continued adoption of the Wates Corporate Governance Principles for Large Private Companies ("Wates Principles") during 2025. The following considers how the Wates Principles were applied by the Company. Further information illustrating the Company's adoption of the Wates Principles can be seen in the 'Section 172(1) Statement' above.

Principle 1 – Purpose and Leadership

The Company operates with a clear sense of purpose through its Strategy, which sets out clear goals for the Company, aligning with the Corporation's values and Mission. The Strategy is delivered by management under the Board's leadership; with the goals communicated to employees in a number of ways.

In 2025, the Board reviewed and approved the Strategy and maintained close oversight of progress against the Strategy, ensuring that the Company was adhering to those goals. The Board's Terms of Reference also outlined the Board's accountability for leading the adoption of the Company's values.

The Board is committed to investing in its business, employees and local communities to deliver value to its stakeholders; and this is embedded as a key goal within its Strategy. All Board decision making is underpinned by the Company's values and culture, putting the customer and the Company's other stakeholders at the centre of decision making. The Board prides itself on the Company's positive and inclusive company culture, ensuring that the purpose and direction of the Company is communicated to employees through Management, which provides regular updates on progress against the Company's 'Imperatives' (i.e. the Company's key objectives for the year, sitting in parallel to the Strategy) to all employees.

For further detail regarding the Board's approach to Purpose and Leadership, see the 'Effective decision making and long-term value' section of the Company's 'Section 172(1) Statement'.

Principle 2 - Board Composition

The members of the Board collectively possess a wide spectrum of skills, knowledge, and backgrounds, bringing varied perspectives and experiences to the Board. As noted in the Company's 'Section 172(1) Statement', the Board has progressed with its recruitment of Non-Executive Directors, to further broaden the perspectives of the Board as it fulfils its duties.

With support from the Company Secretary, Board members effectively manage time and commitment to their responsibilities, and ensure that meetings are conducted in a way that fosters open debate and constructive challenge.

Principle 3 - Director Responsibilities

The Board's overall accountability and responsibility are clearly documented within the Company's Management Responsibilities Map. The governance structure and risk management framework adopted by the Company support the Board in discharging its responsibility to oversee the Company, including ensuring that it has appropriate systems and controls. Matters reserved for the Board are documented within the Board's Terms of Reference, providing a clear remit of the Board to support effective Board decision making. Matters which require Board approval, are supported by detailed information from management to enable effective and informed debate and decision making.

Board members understand their individual accountability and responsibilities in relation to their role on the Board, as set out in Company's internal documentation. Independent challenge is actively integrated into Board processes, for example by Board Members obtaining and considering insights from various internal and external sources. This approach ensures diverse perspectives and rigorous examinations of decisions, contributing to the overall effectiveness of Board oversight.

Executive Directors understand the separation between their Board membership and their Management roles. This distinction allows for effective independent challenge and oversight, fostering a governance structure that mitigates conflicts of interests and ensures robust decision making. Various management forums provide effective governance, with appropriate reporting up to the Board. While these forums play a critical role, the Board retains overall responsibility for providing challenge and overseeing decision making by management, ensuring alignment with strategic objectives.

Principle 4 – Opportunity and Risk

The Board ensures its oversight identifies and considers opportunities to create and preserve value, as well as the identification and mitigation of risk. The Board receives information from both management and external third parties on the external market and environment, including on new innovations, trends and emerging risks. This supports the Board in identifying potential opportunities and risks in relation to the Strategy.

Risk management is overseen by the Board Risk Committee (“BRC”), which has responsibility for approval and monitoring of risk appetite within the Company. Specific risk categories such as credit risk, liquidity risk and operational risk, are discussed in dedicated forums where subject matter experts address senior management. Escalations to the BRC allow for appropriate discussion and challenge at Board level.

The Board actively encourages Management to seek external perspectives on risk and regulatory developments (for example, through engaging external speakers to brief Management on the wider credit risk and economic environment), and incorporate those perspectives into their updates and proposals to the Board. This contributes to a well informed risk management strategy. The continuous refinement of the Strategy, informed by detailed risk discussions and external insights, positions the Company to capitalize on opportunities while effectively mitigating potential risks.

For further detail regarding the Board’s approach to Opportunity and Risk, see the ‘Effective decision making and long-term value’ section of the Company’s ‘Section 172(1) Statement’.

Principle 5 – Remuneration

The Company’s approach regarding payment of competitive compensation to employees is included within the Strategy and is designed to support the sustainable success of the Company through effective risk management and delivery of good customer outcomes, whilst taking market rates into account. Compensation for all employees, including Board members, is managed through a Corporation policy. It is subject to performance management processes which assess individual performance. Processes are transparent and fair, and are subject to monitoring to ensure appropriate application. Performance management takes a balanced scorecard approach to reviewing employee performance, including taking account of the individuals’ objectives, and their approach to business risk and customer outcomes. This includes an assessment for both Management and Executive Director performance for the Board.

Whilst the Board does not have a remuneration committee, the Company’s adoption of the Corporation’s policy is approved by the Board annually. The policy is accessible to all employees to promote transparency of the remuneration structures applicable within the Company.

Principle 6 – Stakeholder Relationships and Engagement

Board members have regard to the need to foster effective stakeholder relationships in support of the delivery of Company's purpose and Strategy. Executive Directors are considerate of this need when discharging their Board and Management roles.

The Board receives the output from the Company's key stakeholder feedback channels, such as employee surveys and customer engagement forums through management information presented to the Board, as well as hearing directly from certain stakeholders invited into Board meetings, such as the Company's external auditors.

For more information regarding the Company's stakeholder relationships, including its interactions with the Capital One Group and other key stakeholders, see the 'Shareholder Engagement' and 'The Board's approach to engagement with its key stakeholders' sections of the Company's 'Section 172(1) Statement'.

STATEMENT ON EMPLOYEE ENGAGEMENT

See the 'Section 172(1) Statement' in the Strategic Report for information regarding how the Company has engaged with its employees in 2025.

STATEMENT ON STAKEHOLDER ENGAGEMENT

See the 'Section 172(1) Statement' in the Strategic Report for information regarding how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company in 2025.