

4.3.1.3 Reward components

	System	People eligible
FIXED COMPENSATION Target Offering competitive and attractive compensation	Base salary	All employees and executive managers
	Skills and responsibility level of employees and executive managers are rewarded by a base salary in line with the specific characteristics of each business line in its local market.	
ANNUAL VARIABLE COMPENSATION Target Linking the interests of employees with those of the Group and shareholders, as part of the deployment of the Medium-Term Plan	Variable compensation	All employees and executive managers
	Crédit Agricole S.A. has put in place two annual variable compensation systems – depending on the business lines and consistent with market practices:	
	<ul style="list-style-type: none"> ■ an Individual variable compensation (RVP) scheme based on the achievement of predefined individual and collective targets within the employee’s scope of responsibility; ■ a “bonus pool” system based on the calculation of benefits directly linked to the entity’s financial results and defined according to the “Contribution” to Group results. The contribution represents an entity’s capacity to fund bonuses, taking into account the cost of risk, the cost of capital and the cost of liquidity. It is defined as:	
	Revenues ⁽¹⁾ – direct and indirect expenses before bonuses - cost of risk - cost of capital before tax <hr/> = Contribution	
The payout ratio represents the portion of the Contribution that the entity wants to pay out in bonuses. It is dependent on the entity’s financial performance and the practices of competing companies operating in comparable businesses.		
<p>The individual award of variable compensation is defined in compliance with regulatory principles. The amounts must not hamper the ability of Group entities to strengthen their equity as necessary. As well as economic and financial criteria, the performance assessment takes all risks into account, including liquidity risk, as well as the cost of capital. Variable compensation is related directly to annual performance. Unsatisfactory performance, failure to comply with rules and procedures or at-risk behaviour have a direct impact on variable compensation.</p> With specific reference to executive managers, determination of annual variable compensation is based on:		
<ul style="list-style-type: none"> ■ 50% on the basis of financial criteria, in line with those of the Medium-Term Plan, with criteria based on Crédit Agricole S.A.’s scope of responsibility in terms of underlying net income Group share, cost/income ratio excluding SRF and RoTE, and on the scope of responsibility of the executive manager; ■ 50% on individual and, where appropriate, collective non-financial criteria, linked to the Group Project and measuring value creation. 		
	Individual variable compensation (RVP)	All employees and executive managers: <ul style="list-style-type: none"> ■ central support functions; ■ retail banking; ■ specialised financial services; ■ insurance; ■ real estate; ■ payments; ■ other.
Individual variable compensation (RVP) reflects the employee’s individual performance, assessed by line management on the basis of the attainment of individual and ultimately collective targets. The targets are described precisely and measurable over the year. They systematically reflect the Group Project. The degree of attainment or exceeding of targets is the principal criterion for the award of RVP. It is supplemented by a qualitative assessment of how these targets were achieved (assuming responsibility, discernment, autonomy, cooperation, commitment, management, etc.).		
	Bonus pool	All employees and executive managers: <ul style="list-style-type: none"> ■ corporate and investment banking; ■ wealth management; ■ asset management; ■ conservation and administration of assets; ■ capital investment.
The award of a bonus is decided upon by line management based on a formal annual individual performance appraisal, which looks at the achievement of both quantitative and qualitative targets, within a predefined package which varies with the performance of the entity. As well as economic and financial criteria, the performance assessment takes all risks into account, including liquidity risk, as well as the cost of capital.		

(1) It is understood that, by definition, revenues are calculated net of the cost of liquidity.

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	<p>There is therefore no direct and automatic link between the level of financial results of an employee and their variable compensation level. Employees are evaluated on their results, those of their activity and the conditions under which such results have been achieved.</p> <p>Similarly to individual variable compensation, targets are clearly defined and measurable over the year. Qualitative targets are individualised, related to the professional activity and to the level of responsibility. They include the quality of risk management, resources allocated and the behaviour (assuming responsibility, discernment, autonomy, cooperation, commitment, management, etc.) implemented to achieve results.</p>	
	Guaranteed variable compensation restrictions	All employees and executive managers
	<p>Guaranteed variable compensation is strictly limited to new hires, for a period that may not exceed one year. Guaranteed variable compensation is awarded subject to the deferred compensation plan applicable to the financial year. Accordingly, all rules on variable compensation for identified employees (deferred payment schedule, performance criteria and reporting) also apply to guaranteed bonuses.</p>	
LONG-TERM VARIABLE COMPENSATION	Long-term incentive plan	High-talent employees
Target		Executive managers
Rewarding the long-term collective performance of the Group and its entities		Key Group executives
	<p>The Group introduced long-term variable compensation in 2011 to reward long-term performance. Accordingly, taking an entity's societal impact into consideration strengthens the link between compensation and long-term performance. This aspect of variable compensation, which is unifying, motivating and encourages loyalty, completes the annual variable compensation mechanism.</p> <p>The long-term variable compensation plan takes the form of share-based compensation and/or instruments indexed to the Crédit Agricole S.A. share price.</p> <p>Amounts are deferred for at least three years and vest according to performance criteria set in keeping with the long term strategy of the Group and its entities:</p> <ul style="list-style-type: none"> ■ Crédit Agricole S.A.'s intrinsic economic performance; ■ Crédit Agricole S.A.'s stock performance; ■ Crédit Agricole S.A.'s societal performance. 	
COLLECTIVE VARIABLE COMPENSATION	Profit sharing and incentive plans	All employees and executive managers in France
Targets	Profit sharing	All employees and executive managers of certain international entities
Linking all employees to the Group's results to enable the collective sharing of value created	<p>Collective variable compensation plans are defined separately for each entity in order to reflect value creation as closely as possible. In France, Group companies therefore negotiate their own profit-sharing and incentive plan agreements, complemented by contribution matching systems through their Employee savings scheme (PEE) and Collective Retirement Savings Plan (PERCOL).</p>	
	Employee shareholding	All employees and executive managers with the exception of a few countries
	<p>Firmly rooted in Crédit Agricole S.A.'s corporate culture, employee shareholding has grown over the years, in the context of recurrent capital increases reserved for employees and retirees since 2018. Since its initial public offering in 2001, Crédit Agricole S.A. has carried out ten capital increases reserved for employees and retirees. At end-2022, Crédit Agricole S.A. employees and former employees held 6.0% of the share capital.</p> <p>By valuing the contribution of each individual to the success of the collective, the development of employee shareholding is part of the new confidence pact desired by the Group through its Human Project.</p>	
PERIPHERAL COMPENSATION	Private healthcare insurance scheme	All employees and executive managers
Target	Supplementary pension scheme	All employees
Covering/Supplementing health care reimbursements in the event of employee illness	<p>Peripheral compensation in terms of healthcare, retirement (Article 83) and pensions are put in place within collective schemes specific to each entity.</p>	
Protecting employees against all life's uncertainties	Supplementary pension scheme	All executive managers
	<p>From 2010 to 2019, the supplementary pension scheme consisted of a combination of defined-contribution pension schemes and a defined-benefit scheme (the rights to the benefit scheme are determined after the rights paid under the defined-contribution scheme).</p> <p>In accordance with the PACTE Act and the provisions of Order no. 2019-697 of 3 July 2019, the defined benefit top-up scheme was permanently closed as of 4 July 2019, and the conditional rights it provides have been crystallised at 31 December 2019.</p> <p>Since 1 January 2020, Crédit Agricole S.A. has set up a new retirement savings scheme that enables employees to progressively build up capital with the company's help. This plan is made up of an Article 82 defined-contribution scheme and free share allocations. Part of this capital thus follows the Group's performance, thereby reinforcing the alignment with the strong and sustainable growth targets of our corporate strategy.</p>	