

CD Projekt Spółka Akcyjna

A statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021

According to the current status of compliance with the Best Practice, the Company does not apply 9 detailed principles: 2.1., 2.2., 2.11.6., 3.1., 3.3., 3.4., 3.6., 3.7., 3.10.

I. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

In the interest of all market participants and their own interest, listed companies ensure quality investor communications and pursue a transparent and fair disclosure policy.

- 1.1** Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.
The principle is applied.
Comments of the Company: At CD PROJEKT, we strive to provide investors, analysts and fund managers with equal access to information regarding our business. Materials published on our website are available in Polish and English. We communicate by email and telephone and also use social media profiles. We publish video comments by the Company's CFO, who discusses the financial results and achievements of the Group in a given reporting period. We participate in domestic and international conferences, as well as in chats addressed to investors in connection with the publication of financial results.
- 1.2** Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.
The principle is applied.
Comments of the Company: We aim to publish financial results in periodic reports as soon as possible after the end of the reporting period and after obtaining reliable information on the royalties due from licensees in respect of sales made during the reporting period. If, for justified reasons, we are unable to publish the results in line with the reporting cycle, we will seek to disclose information on estimated results to the public.
- 1.3** Companies integrate ESG factors in their business strategy, including in particular:
- 1.3.1** environmental factors, including measures and risks relating to climate change and sustainable development;
The principle is applied.
Comments of the Company: In our business strategy, we take into account ambitions related to sustainable development (ESG), including those concerning the environment and climate. Detailed information on our ESG approach is available on our website in the "Sustainability" section and in the Management Board Reports on the Activities of the CD PROJEKT Group.
- 1.3.2** social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.
The principle is applied.
Comments of the Company: In our business strategy, we take into account ambitions related to sustainable development (ESG), including those concerning social and employee matters. Detailed information on our ESG approach is available on our website in the "Sustainability" section and in the Management Board Reports on the Activities of the CD PROJEKT Group.

- 1.4** To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:
The principle is applied.
Comments of the Company: *Together with our business strategy, we published presentations by Management Board members responsible for individual areas within the Company (so-called deep dives). Detailed information regarding our ESG approach is available on our website in the "Strategy" and "Sustainability" sections. We publish progress in achieving our goals in the Management Board Reports on the Activities of the CD PROJEKT Group.*
- 1.4.1** explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;
The principle is applied.
Comments of the Company: *In order to identify key ESG areas, we carried out a materiality assessment, as a result of which a materiality matrix for the CD PROJEKT Group was developed. The matrix covered two perspectives: the interest of our stakeholders and the significance of these issues for the development of our Group. As a result of the assessment, the area related to the environment and climate was not identified as material to our business. Regardless of the materiality assessment, we strive to conduct our business responsibly and in line with the principles of sustainable development. Our actions are aimed at reducing the negative impact on the natural environment and combating climate change. In accordance with our Environmental Policy, we undertake to take environmental protection issues into account when making business decisions. On our website, we present ESG goals that support our business strategy. Due to the specifics of the industry and the dynamic environment in which we operate, the presented goals are both short-term and one-off in nature, as well as long-term and measurable.*
- 1.4.2** present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.
The principle is applied.
Comments of the Company: *At CD PROJEKT, we attach great importance to the equal treatment of all members of our team. We continuously improve our remuneration policy, which is intended to ensure a fair level of pay and career development opportunities for every employee. Due to the employment structure resulting from the specifics of the gaming industry in Poland and worldwide, and the resulting difficulty in selecting comparable data across all job levels, at CD PROJEKT we analyse potential differences in remuneration between women and men using the Compa Ratio (CR). In our view, this ratio reliably reflects pay relativity by gender. The CR ratio is referenced against the midpoint of salary ranges applied at individual job levels. On our website, we present the pay relativity ratio for persons employed at CD PROJEKT.*
- 1.5** Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.
The principle is applied.
Comments of the Company: *We present information regarding activities undertaken in the area of community engagement, including the amount of funds donated for charitable purposes, in our sustainability reporting, which forms part of the Management Board Report on Activities, and in the financial statements of the CD PROJEKT Capital Group.*
- 1.6** Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.
The principle is applied.
Comments of the Company: *In connection with the publication of our financial results (quarterly, semi-annual and annual), we organise meetings for shareholders, analysts, industry experts and media representatives. We organise these meetings in the form of conference calls and chats with the participation of Management Board members, during which they answer questions regarding, among other things, the Group's results, the adopted strategy and our production plans.*
- 1.7** If an investor requests any information about a company, the company replies immediately and in any case no later than within 14 days.
The principle is applied.
Comments of the Company: *We strive for direct dialogue with investors, both by correspondence and during meetings, conferences and conference calls, while taking into account the protection of business secrets and applicable legal regulations.*

II. MANAGEMENT BOARD, SUPERVISORY BOARD

To ensure top standards of the responsibilities and effective performance of the management board and the supervisory board of a company, only persons with the adequate competences, skills and experience are appointed to the management board and the supervisory board.

Management Board members act in the interest of the company and are responsible for its activity. The management board is responsible among others for the company's leadership, engagement in setting and implementing its strategic objectives, and ensuring the company's efficiency and safety.

Supervisory board members acting in their function and to the extent of their responsibilities on the supervisory board follow their independent opinion and judgement, including in decision making, and act in the interest of the company.

The supervisory board functions in the spirit of debate and analyses the position of the company in the context of the sector and the market on the basis of information provided by the management board of the company and via the company's internal systems and functions and obtained from external sources, using the output of its committees. The supervisory board in particular issues opinions on the company's strategy, verifies the work of the management board in pursuit of defined strategic objectives, and monitors the company's performance.

- 2.1** Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.
The principle is not applied.
Comments of the Company: *To date, the Supervisory Board and the General Meeting have not adopted regulations that fully comply with the above principle. The Company has a Diversity Policy under which the general principle of non-discrimination is maintained in relation to members of the Management Board and Supervisory Board, as well as all employees; however, the Policy does not specify objectives or deadlines for their implementation in this respect. As of the date of this statement, we had not achieved the 30% minority participation ratio in terms of gender on the Company's Management Board; however, with effect from January 1, 2026, a woman was appointed to the Management Board, which increased the representation of the less represented gender. The ratio of the less represented gender on the Supervisory Board is 40%. Diversity, equality and respect for human rights are among the core values set out in the Game Principles: Business and Ethical Standards in the CD PROJEKT Capital Group. In addition, we are a signatory to the Diversity Charter, which commits us to a prohibition of discrimination in the workplace and to taking action to create and promote diversity. The Company monitors legislative processes concerning gender balance in company bodies resulting from Directive (EU) 2022/2381 and the Polish implementing act, and plans to take steps to ensure compliance with the requirements arising from those laws.*
- 2.2** Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.
The principle is not applied.
Comments of the Company: *The Company does not currently have separate regulations specifying detailed diversity criteria for corporate bodies, including target gender participation ratios. Decisions regarding the composition of the bodies are made in particular on the basis of substantive criteria and competencies relevant from the perspective of the Company's business. At the same time, when shaping the composition of the bodies, the broader organisational context and the need to ensure diverse perspectives are taken into account. This approach was reflected in the changes to the composition of the Supervisory Board effective from January 1, 2025, and in the changes to the composition of the Management Board effective from January 1, 2026, which contributed to increasing the share of women in both corporate bodies of the Company. As at the date of this statement, we had not achieved the 30% minority participation ratio in terms of gender on the Management Board of the Company, while the ratio of the less represented gender on the Supervisory Board is 40%.*
- 2.3** At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied.
Comments of the Company: *Members of the Supervisory Board submit statements on independence, including the absence of actual and significant ties with a shareholder holding at least 5% of the total number of votes in the company. According to the statements submitted, three members of the CD PROJEKT Supervisory Board meet the independence criterion and have no actual and significant ties with a shareholder holding at least 5% of the total number of votes in the company.*

- 2.4** The supervisory board and the management board vote in an open ballot unless otherwise required by law.
The principle is applied.
Comments of the Company : Voting at Supervisory Board meetings is open. Secret voting is ordered at the request of a Supervisory Board member and in matters indicated in the Commercial Companies Code. Voting at Management Board meetings is open unless otherwise provided by law and at the request of at least one member of the Management Board.
- 2.5** Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.
The principle is applied.
Comments of the Company : Both members of the Supervisory Board and members of the Management Board voting against a resolution are entitled to have a dissenting opinion entered into the minutes.
- 2.6** Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.
The principle is applied.
Comments of the Company : Serving as members of the Management Board constitutes their main area of professional activity.
- 2.7** A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.
The principle is applied.
Comments of the Company : In accordance with the Articles of Association and the Rules of Procedure of the Management Board, a member of the Management Board is not entitled, without the consent of the Supervisory Board, to serve in governing bodies of entities outside the CD PROJEKT Group.
- 2.8** Supervisory board members should be able to devote the time necessary to perform their duties.
The principle is applied.
Comments of the Company : The time commitment of the Supervisory Board members allows for the proper performance of their duties in accordance with the circumstances and current needs.
- 2.9** The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.
The principle is applied.
Comments of the Company : The function of Chairman of the Audit Committee is performed by an independent member of the Supervisory Board and is not combined with the function of Chairman of the Supervisory Board.
- 2.10** Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.
The principle is applied.
Comments of the Company : We provide the Supervisory Board with administrative, technical and organisational resources necessary for the efficient functioning of the Board.
- 2.11** In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:
- 2.11.1** information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;
The principle is applied.
Comments of the Company : Once a year, the Supervisory Board presents to the Annual General Meeting an annual report on its activities in the financial year. The report includes information on the composition of the Supervisory Board and its committees, together with an indication of the independence criterion, including significant ties with a shareholder holding at least 5% of the total number of votes in the company, in relation to its individual members.
- 2.11.2** summary of the activity of the supervisory board and its committees;
The principle is applied.
Comments of the Company : The Supervisory Board report refers to the work of the Supervisory Board during the reporting period, taking into account the performance of the tasks of the Audit Committee.
- 2.11.3** assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;
The principle is applied.
Comments of the Company : The Supervisory Board assesses the Company's situation, taking into account internal control systems, risk management, compliance and the internal audit function.

- 2.11.4** assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;
The principle is applied.
Comments of the Company: *The Supervisory Board assesses the application of corporate governance principles and the indicated information obligations.*
- 2.11.5** assessment of the rationality of expenses referred to in principle 1.5;
The principle is applied.
Comments of the Company: *The Supervisory Board assesses the reasonableness of the expenses referred to in principle 1.5.*
- 2.11.6** information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.
The principle is not applied.
Comments of the Company: *In its report, the Supervisory Board does not include information on the degree of implementation of the diversity policy with regard to the Management Board and Supervisory Board, including the implementation of its objectives. As explained under principle 2.1, the Supervisory Board and General Meeting have not so far adopted regulations specifying diversity objectives and criteria for members of corporate bodies. If a decision is made to implement such regulations, the Supervisory Board will include appropriate information in this respect in its report.*

III. INTERNAL SYSTEMS AND FUNCTIONS

Efficient internal systems and functions are an indispensable tool of exercising supervision over a company.

The systems cover the company and all areas of activity of its group which have a significant impact on the position of the company.

- 3.1** Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.
The principle is not applied.
Comments of the Company: *The Company does not apply the above principle only partially, i.e. with respect to maintaining an internal audit function. Control functions that in other organisations are carried out by a specialised internal audit unit are performed in the Company under a dispersed model by specialised teams with appropriate substantive competencies. In particular, these functions are performed by persons employed in the Accounting and Finance Departments (especially in the Financial Controlling team), in the Legal Department (especially in the Corporate Law and Privacy & Compliance teams), in the IT Department (especially in the Cybersecurity team) and in the Investor Relations Department (including the ESG Team established within it). The effectiveness of the adopted model is further strengthened by the direct involvement of the Management Board and the supervision of the Audit Committee and the Supervisory Board, particularly with respect to financial, accounting, reporting, risk, compliance and ESG areas. The adopted organisational solutions take into account the scale of operations and the project-based nature of the Company's operations, including long-term production cycles, combining creativity with technology, and a specific risk profile. The control model applied corresponds to these conditions and enables management of identified risks while maintaining compliance with applicable regulations, without the need to establish a separate internal audit function. The need to separate internal audit is subject to ongoing analysis by the Management Board and the Audit Committee and may be considered in the future.*
- 3.2** Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.
The principle is applied.
Comments of the Company: *The Company operates internal control, risk management and compliance systems. The internal systems and functions were designed taking into account the specifics of operating in the video game industry, including the nature of the production process, long project development cycles, the key role of technology and intellectual property. The functioning of the internal control system in the Company is the responsibility of the Management Board, management staff and other employees within the scope of accounting, financial and operational control. We have a formalised risk management system operating on the basis of the Risk Management Procedure and a compliance management system implemented on the basis of the Compliance Policy. Risk management is the responsibility of persons holding director-level positions, including VPs, who act as so-called risk owners. The compliance area is overseen by the Chief Compliance Officer.*

- 3.3** Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The principle is not applied.

Comments of the Company: *To date, we have not appointed an internal auditor in the Company in the form of a separate organisational unit. The Audit Committee, acting in accordance with the Good Practices principles, annually assesses whether there is a need to separate the internal audit function, taking into account in particular the scale of the Company's operations, the risk profile and the degree of complexity of internal processes in the context of the video game industry. If these conditions change and a decision is made to appoint an internal auditor, the Company will apply the above principle.*

- 3.4** The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is not applied.

Comments of the Company: *The Company does not apply the above principle only partially, because as explained in principles 3.1 and 3.3, we have not so far appointed an internal audit function, and therefore we cannot declare the manner of its remuneration and thus the application of the above principle. Nevertheless, if a decision is made to appoint an internal auditor, we will apply the above principle.*

- 3.5** Persons responsible for risk and compliance management report directly to the president or other member of the management board.

The principle is applied.

Comments of the Company: *Persons responsible for risk management and compliance report directly to individual members of the Management Board.*

- 3.6** The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not applied.

Comments of the Company: *As explained in principles 3.1 and 3.3, we have not so far appointed an internal auditor in the form of a separate organisational unit. If a decision is made to appoint an internal auditor, we will apply the above principle.*

- 3.7** Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

The principle is not applied.

Comments of the Company: *We do not apply the above principle only partially, i.e. with respect to appointing persons responsible for internal audit in Group companies. The subsidiaries operate a limited organisational structure tailored to the size and scale of their activities. With respect to the compliance management system and the risk management system, these functions are performed under a centralised model, i.e. by persons performing appropriate roles at the parent company level, who coordinate these areas across the Group, ensuring consistency of the principles applied, uniform standards and ongoing supervision over their functioning in subsidiaries.*

- 3.8** The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.

The principle is applied.

Comments of the Company: *In order to ensure appropriate oversight, the Management Board presents to the Supervisory Board an annual report relating to the effectiveness of the functioning of internal systems and functions: internal control, risk management, compliance and the internal audit function.*

- 3.9** The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is applied.

Comments of the Company: *The Supervisory Board conducts an annual assessment of the effectiveness of the internal systems and functions in its report on activities in a given financial year together with the assessment of the work of the Supervisory Board. The Audit Committee monitors the effectiveness of the systems and functions referred to in principle 3.1.*

- 3.10** Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

The principle is not applied.

Comments of the Company: *As explained in principles 3.1 and 3.3, we have not so far appointed an internal auditor in the form of a separate organisational unit. If a decision is made to appoint an internal auditor, we will apply the above principle.*

IV. GENERAL MEETING, SHAREHOLDER RELATIONS

The management board and the supervisory board of listed companies should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting, either in person or through a proxy.

The general meeting should proceed by respecting the rights of all shareholders and ensuring that passed resolutions do not infringe on legitimate interests of different groups of shareholders.

Shareholders who participate in a general meeting exercise their rights in accordance with the rules of good conduct. Participants of a general meeting should come prepared to the general meeting.

- 4.1** Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.
The principle is applied.
Comments of the Company: We provide shareholders with the possibility to participate in the General Meeting remotely and to exercise voting rights by means of electronic communication.
- 4.2** Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.
The principle is applied.
Comments of the Company: We make efforts to ensure that the place and date of the General Meeting enable the largest possible number of shareholders to participate in the proceedings. The Management Board convenes meetings at the Company's registered office, which shareholders may attend in person, by proxy or by means of electronic communication. In the event of cancellation, change of date or ordering a break in the General Meeting proceedings, we will provide appropriate information in a manner that will not in any way limit shareholders in exercising their right to participate in the General Meeting.
- 4.3** Companies provide a public real-time broadcast of the general meeting.
The principle is applied.
Comments of the Company: We provide a live broadcast of the General Meeting proceedings on our website via a platform enabling real-time data streaming. Materials, including video recordings of General Meetings, are available on our website.
- 4.4** Presence of representatives of the media is allowed at general meetings.
The principle is applied.
Comments of the Company: Media representatives may participate in the General Meeting.
- 4.5** If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 - 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.
The principle is applied.
Comments of the Company: If information is received on convening a General Meeting under the procedure provided for in Article 399 § 2-4 and Article 400 § 3 of the Commercial Companies Code, the Management Board will immediately undertake actions related to the organisation and conduct of the General Meeting.

- 4.6** To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.
The principle is applied.
Comments of the Company: We publish draft resolutions of the General Meeting together with justifications on our website. If a shareholder requests that a given matter be placed on the agenda of the General Meeting, we will request that the shareholder present a justification for the proposed resolution.
- 4.7** The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.
The principle is applied.
Comments of the Company: The Supervisory Board gives an opinion on all draft resolutions submitted by the Management Board concerning matters included on the agenda of the General Meeting.
- 4.8** Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.
The principle is applied.
Comments of the Company: As a rule, we apply the principle set out in Article 401 § 5 of the Commercial Companies Code, according to which each shareholder may submit draft resolutions concerning matters introduced into the agenda during the General Meeting. Nevertheless, we have declared to shareholders our intention to apply the above principle and set out the basic rules for submitting draft resolutions in the Guide to the General Meeting of Shareholders of CD PROJEKT S.A., which is available on our website.
- 4.9** If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:
- 4.9.1** candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;
The principle is applied.
Comments of the Company: Information on candidates for members of the Supervisory Board together with their CVs is posted on our website in due advance. Information on submitted candidates is provided in the form of a current report. We have declared to shareholders our intention to apply the above principle and set out the basic rules for submitting candidates for members of the Supervisory Board in the Guide to the General Meeting of Shareholders of CD PROJEKT S.A., which is available on our website.
- 4.9.2** candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.
The principle is applied.
Comments of the Company: Each candidate for a member of the Supervisory Board submits a statement regarding compliance with the requirements for members of the Audit Committee set out in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, as well as regarding the existence of actual and significant ties of the candidate with a shareholder holding at least 5% of the total number of votes in the company.
- 4.10** Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.
The principle is applied.
Comments of the Company: We seek to ensure that dialogue with shareholders enables the proper exercise of their rights. To date, we have not experienced a situation in which shareholders' rights would hinder the proper functioning of the corporate bodies.
- 4.11** Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.
The principle is applied.
Comments of the Company: Members of the Management Board and Supervisory Board participate in the proceedings of the General Meeting in a composition enabling them to comment on matters subject to the proceedings of the General Meeting and to answer questions asked by shareholders. A representative of the Management Board presents to participants of the annual General Meeting selected material information contained in the financial statements subject to approval by the General Meeting, primarily including financial results. In addition, representatives of the Management Board discuss results, implementation of plans and material events concerning the past year during the results conference summarising the given financial year. Recordings and transcripts of the results conferences are made available on our website.

- 4.12** Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.

The principle is applied.

Comments of the Company: *To date, we have not submitted to the General Meeting a resolution concerning an issue of shares with pre-emptive rights. If such circumstances arise, the resolution will specify the issue price or the mechanism for determining it in accordance with the above principle.*

- 4.13** Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:

- a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;
- b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
- c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.

The principle is applied.

Comments of the Company: *In our operations to date, resolutions on a new issue of shares excluding pre-emptive rights have been adopted under the incentive programmes in place. Issues of the Company's shares carried out in this manner, with exclusion of pre-emptive rights and priority subscription rights for selected shareholders, adopted by resolution of the General Meeting, were in the company's interest and resulted from the nature of the issue implemented under a given incentive programme.*

The objectives of the incentive programmes were:

1. defined as consistent with the objectives and assumptions of shareholders,
2. aimed at continuing the long-term growth of the Company's value.

The issue price of shares excluding pre-emptive rights does not and did not infringe the rights of existing shareholders who did not participate in the new share issue.

- 4.14** Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:

- a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
- b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
- c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
- d) the company generates insufficient cash flows to pay out dividends;
- e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;
- f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

The principle is applied.

Comments of the Company: *The Management Board of the Company has adopted a Dividend Policy, according to which the intention of the Management Board is to seek to recommend to the General Meeting the payment of dividends in accordance with the rules set out in the Policy. The Management Board may recommend payment of a dividend in the amount of 25% of the Company's net profit for a given financial year or higher. Each time before issuing a recommendation, the Management Board analyses all financial and non-financial aspects it considers material in order to make a decision on the proposed dividend amount. Before the date of the General Meeting, the Management Board discloses to the public, in the form of a current report, the content of the motion to the General Meeting regarding the distribution of profit for a given financial year, which is subject to assessment by the Supervisory Board. The final decision on the distribution of profit and payment of the dividend is made by the General Meeting.*

V. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

For the purpose of this section, 'related party' is defined within the meaning of the International Accounting Standards approved in Regulation No (EU) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Companies and their groups should have in place transparent procedures for managing conflicts of interest and for related party transactions where a conflict of interest may occur. The procedures should provide for ways to identify and disclose such cases and the course of action in the event that they occur.

Members of the management board and members of the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the corporate body, and where a conflict of interest arises, they should immediately disclose it.

- 5.1** Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

The principle is applied.

Comments of the Company: In accordance with the Rules of Procedure of the Management Board, members of the Management Board inform the Supervisory Board of any conflict of interest related to the function they perform or the possibility of its arising. In accordance with the Rules of Procedure of the Supervisory Board, in the event of a conflict of interest, a member of the Supervisory Board informs the other members of the Supervisory Board thereof. A member of the Management Board or Supervisory Board does not participate in considering a matter in which a conflict of interest may arise in relation to that person.

- 5.2** Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

The principle is applied.

Comments of the Company: If a member of the Management Board or Supervisory Board considers that a given decision is contrary to the interest of the Company, their dissenting opinion will be entered into the minutes of the meeting.

- 5.3** No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The principle is applied.

Comments of the Company: Transactions with related parties are entered into in accordance with the adopted regulations on entering into transactions with related parties. Shareholders of the Company are not treated preferentially in transactions with the Company and entities from the CD PROJEKT Group by virtue of their status as shareholders. In accordance with the Rules of Procedure of the Management Board, the Management Board should act with particular diligence to ensure that transactions with shareholders are carried out on arm's length terms.

- 5.4** Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.

The principle is applied.

Comments of the Company: The Management Board makes a decision regarding the conditions and procedure for carrying out a buy-back of own shares with due respect for the interests of shareholders, in the form of a resolution. The authority to carry out a buy-back operation is granted by the General Meeting. Information on the buy-back of own shares is disclosed to the public in the form of a current report.

- 5.5** If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ANSWER a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The principle is applied.

Comments of the Company: In justified cases, before adopting a resolution on granting consent to a transaction with a related party, the Supervisory Board may obtain an opinion from an external entity.

- 5.6** If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ANSWER a prior opinion of a third party referred to in principle 5.5.

The principle is applied.

Comments of the Company: If a transaction requires the consent of the General Meeting, we will apply the above principle.

- 5.7** If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle is applied.

Comments of the Company: If the decision on concluding a material transaction with a related party is taken by the General Meeting of Shareholders, we will apply the above principle.

VI. REMUNERATION

Companies and their groups protect the stability of their management teams, among others by transparent, fair, consistent and non-discriminatory terms of remuneration, including equal pay for women and men.

Companies' remuneration policy for members of corporate bodies and key managers should in particular determine the form, structure, and method of determining and payment of the remuneration.

- 6.1** The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The principle is applied.

Comments of the Company: *The Company has adopted a Remuneration Policy applicable to members of the Management Board and Supervisory Board. The remuneration offered to members of the Management Board, Supervisory Board and key managers is sufficient to attract, retain and motivate persons with the competencies necessary for proper management of the Company and supervision over it. Remuneration is adequate to financial and business results and to the tasks, duties and responsibilities of individual persons.*

- 6.2** Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The principle is applied.

Comments of the Company: *When adopting incentive programmes, we are guided by objectives that include, among other things, ensuring optimal conditions for the growth of financial results and long-term growth in the value of the Company and the Group by enabling the offering of competitive employment terms to domestic and foreign employees and collaborators who are material to the Company and the Group. In accordance with the internal regulations in force, variable remuneration to which members of the Management Board may be entitled may depend on meeting conditions relating to the implementation of financial or non-financial criteria.*

- 6.3** If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The principle is applied.

Comments of the Company: *The long-term incentive programme for the Management Board and key managers for 2023-2027 is based on objectives set for predefined periods of at least three years. The implementation of this programme depends on the growth of the financial results of the Capital Group and the long-term growth of the Company's value through long-term alignment of the entitled persons with the Capital Group and its objectives. Exercise of rights resulting from the adopted incentive programme is also dependent on meeting the loyalty criterion and, in some cases, any additional criteria set by the Management Board or Supervisory Board of the Company.*

- 6.4** As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The principle is applied.

Comments of the Company: *Members of the Supervisory Board receive fixed monthly remuneration for serving on the Supervisory Board. Members of the Audit Committee receive additional fixed monthly remuneration for participating in the Audit Committee. Members of the Supervisory Board are not granted remuneration dependent on the number of meetings held or on the fulfilment of additional criteria.*

- 6.5** The level of remuneration of supervisory board members should not depend on the company's short-term results.

The principle is applied.

Comments of the Company: *Members of the Supervisory Board are entitled to fixed monthly remuneration solely on the basis of and in the amount provided for in a resolution of the General Meeting. Members of the Supervisory Board do not receive remuneration linked to the Company's results.*