



STATEMENT REGARDING THE IMPLEMENTATION
OF CORPORATE GOVERNANCE POLICIES
AT THE CD PROJEKT GROUP AND CD PROJEKT S.A.
IN 2022

The statement regarding the implementation of corporate governance policies at the CD PROJEKT Group and CD PROJEKT S.A. in 2022 is a supplement to the Management Board Report on the Activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2022.

Disclaimer: This English language translation has been prepared solely for the convenience of English-speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.

Disclosure of the set of corporate governance policies applicable to the Issuer

CD PROJEKT S.A. (further referred to as the Issuer and/or the Company) is subjected to corporate governance policies set forth in the 2021 Code of Best Practice for WSE Listed Companies (an annex to the Stock Exchange Council resolution of 13/1834/2021 of 29 March 2021). This document can be accessed on the Warsaw Stock Exchange website at <https://www.gpw.pl/best-practice2021>.

Information regarding the state of implementation of practices listed in the 2021 Code of Best Practice for WSE Listed Companies is available on the Company website, in the "Corporate Governance" tab at <https://www.cdprojekt.com/en/investors/corporate-governance/>.

Throughout 2022 the Company fully implemented most of the above-mentioned corporate governance policies, with exception of the following policies.

I. Disclosure policy and investor communications

II. Management board and supervisory board

[2.1.] The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, field of study, specialist knowledge, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. In terms of gender diversity, the condition for ensuring the diversity of the company's bodies is that the minority participation in the respective body is no less than 30%.

Clarification: Thus far, the Company has not implemented formal diversity regulations related to its official bodies, which would be adopted by the Supervisory Board or the General Meeting of Shareholders. Nevertheless, since 2018 a Diversity Policy has been in force at the Company. Pursuant to this policy, a general non-discrimination principle applies to members of the Management Board and Supervisory Board, as well as to all team members. Furthermore, the Company is a signatory to the Diversity Charter, which prohibits workplace

discrimination and obligates its signatories to engage in activities which foster and promote diversity. Diversity, equality and respect for human rights are all basic values enshrined in the CD PROJEKT Group Business and Ethics Standards. In its annual non-financial reports the Company provides diversity statistics related to age, gender and educational background.

[2.2.] The persons deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting diversity in their composition, making it possible, inter alia, to achieve the target ratio of a minimum minority shareholding set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1.

Clarification: In line with existing practices at the Company, appointment of Management Board and Supervisory Board members has been based on factors which include professional experience, knowledge and education. Compliance with the presented policy depends on the diversity of available candidates and the outcome of votes held by the Supervisory Board or the General Meeting. As of the submission date of this statement, the Company does not ensure minority involvement on a level greater than 30% with regard to gender, and cannot ensure that in the future members of its Supervisory Board or shareholders who take part in General Meetings will pass resolutions consistent with this policy.

[2.11.] In addition to its activities under the law, once a year the supervisory board draws up an annual report and submit it to the ordinary general meeting for approval. The report referred to above includes at least:

[2.11.5.] an assessment of the validity of the expenditure referred to in principle 1.5;

Clarification: Thus far, the Supervisory Board has not assessed the validity of expenditures referred to in principle 1.5. Nevertheless, the Company declares that it will submit to the Supervisory Board a request to perform such an assessment while preparing its next report, following which the Company will be in compliance with this principle.

[2.11.6.] information on the extent to which the diversity policy is implemented in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.

Clarification: The Company has not adopted internal regulations related to diversity among members of the Management Board and the Supervisory Board pursuant to principle 2.1. Consequently, reports submitted by the Supervisory Board do not specify the extent to which the diversity policy is implemented in relation to these bodies, including the achievement of the corresponding objectives. Should the Company decide to adopt the corresponding regulations, the Supervisory Board's report will include information on the implementation of the diversity policy in relation to the Management Board and the Supervisory Board itself.

III. Internal systems and functions

[3.1.] A listed company maintains effective internal control, risk management and compliance systems and an effective internal audit function appropriate to the size of the company and the nature and scale of its business, which is the responsibility of the management board.

Clarification: The Company partially deviates from this principle insofar that it has not established a distinct internal audit function. Internal control at the Company is implemented on the basis of its existing managerial framework, including the finance and accounting departments. Control processes include, among others, bookkeeping based on internal systems deployed at the Company; analysis and validation of the generated results, including in the context of internal projections and expectations, ongoing monitoring of expenditures and contracts concluded by the Company, as well as assessment of the economic viability of anticipated projects. Certain internal control processes are carried out by legal departments, and – where development of videogames is concerned – by the Studio's development team. The Company also operates, as part of its IT department, an information security team. In discharging its internal control obligations the Company also enlists the help of external experts by commissioning independent audits of specific areas of its activity. A formalized risk management process is in place at the Company, based on a Risk Management Procedure instituted by a Management Board resolution. Risks are identified on an ongoing basis, based on analysis of external and internal factors which may affect the likelihood of irregularities arising in the course of the Company's daily activities. Identification and monitoring of risk factors is the responsibility of the Risk Management Committee, which comprises directors and managers at the Company (referred to as risk owners). Regarding compliance monitoring, the Company has instituted a Compliance Management Policy, which names a Chief Compliance Officer. The Privacy and Compliance department – part of the Company's legal team – is

responsible for ongoing monitoring of daily activities with regard to compliance, and for discharging formal obligations incumbent upon the Company. A number of formal procedures are in place, which uniformize control over key managerial and organizational processes within each department. There is no distinct internal audit unit. The Company declares that should it decide to establish such a unit as part of its organizational framework, it will comply with this principle.

[3.3.] A company included in the WIG20, mWIG40 or sWIG80 index appoints an internal auditor heading the internal audit function, who acts in accordance with internationally recognised standards of professional practice for internal auditing. In other companies where no internal auditor meeting the aforementioned requirements has been appointed, the audit committee (or the supervisory board if it performs the functions of an audit committee) annually assesses whether there is a need to appoint such a person.

Clarification: There is currently no internal auditor or dedicated audit unit in place at the Company. Thus far, the Supervisory Board report of the condition of the Company with regard to consolidation did not identify the need to make such an appointment. Nevertheless, an assessment will be included in the next Supervisory Board report.

[3.4.] Remuneration of risk managers, compliance officers and the head of internal audit should be based on the fulfilment of assigned tasks and not on short-term company performance.

Clarification: Base remuneration of risk managers and compliance officers is fixed and follows existing market standards. No internal audit function has been disaggregated in the Company's structure as a distinct organizational unit; hence the Company is unable to comment upon the remuneration provided to such a unit.

[3.6.] Those responsible for risk management and compliance report directly to the president or another member of the management board.

Clarification: Thus far, internal audit has not been disaggregated in the Company's structure as a distinct organizational unit.

[3.7.] Principles 3.4 – 3.6 also apply to entities within the company's group that are material to the company's business, if they have designated persons to perform these tasks.

Clarification: The Company's subsidiaries have restricted organizational frameworks which are adapted to the size of each such entity. These frameworks do not include disaggregated internal audit, risk management and compliance units.

[3.10.] At least every five years, a company included in the WIG20, mWIG40 or sWIG80 index has its internal audit function reviewed by an independent auditor selected with the participation of the audit committee.

Clarification: Given the lack of a distinct internal audit function, the Company has not heretofore subjected it to review by an independent auditor. The Company declares that should it decide to appoint an internal auditor, it will comply with this principle.

Internal control and risk management mechanisms pertaining to preparation of financial statements and consolidated financial statements

The management board of each company belonging to the CD PROJEKT Group is responsible for instituting internal control systems at their respective companies and ensuring efficient preparation of financial statements. Material supervision of the Company's financial and periodic reporting procedures is the responsibility of the Company's Management Board. The internal control system in place at the Company encompasses:

- Operational control;
- Bookkeeping and accounting based on internally deployed systems;
- Audits of financial statements performed by an independent auditor;
- Performance control, including projections, preparation of financial plans (including with regard to cash flows) as well as financial analysis and monitoring KPIs;
- Electronic document flow and approval system;
- Ownership supervision.

In 2022 the Company's accounts were managed by an internal accounting department, charged with performing daily accounting services, bookkeeping, preparing statutory reports and preparing additional reports for the Management Board, including separate financial statements. Supervision of the preparation of financial statement is the duty of the Company's Chief Accountant and Chief Financial Officer.

Risk management is based on a formal Risk Management Procedure instituted by way of a Management Board resolution. Risks are identified on an ongoing basis, based on analysis of external and internal factors which may affect the likelihood of irregularities arising in the course of the Company's daily activities. Identification and monitoring of risk factors is the responsibility of the Risk Management Committee, which comprises directors and managers at the Company (referred to as risk owners). Risk related to preparation of financial statements are mitigated in a variety of ways, including through deployment of IT security systems.

Financial data presented in the Issuer's financial statements is derived mainly from a financial and accounting system which is compliant with the Issuer's accounting policies and with the International Accounting Standards. Consolidated statements also include data submitted by the Group's subsidiaries.

The Issuer's financial statement is submitted to the Management Board for verification. Once approved by the Board, the statement is submitted to the Supervisory Board for actions determined by the Commercial Companies Code, i.e., financial audits.

Annual financial statements are subject to audits and semi-annual statements are subject to review carried out by an independent auditor contracted by the Supervisory Board. The report on review of semi-annual financial statement is forwarded to the shareholders, and the report on the audit of the annual financial statement is forwarded to the shareholders and the General Meeting.

As the Issuer's subsidiaries do not appoint separate Supervisory Boards, their separate financial statements, once verified by the management board of each of the subsidiaries and – whenever mandated by law – by an external auditor, are submitted for approval by the Ordinary General Meeting of each subsidiary.

Shareholders who hold major share packages, whether directly or indirectly

The following table summarizes formal notifications received by the Company in accordance with the law, listing shareholders who hold – directly or indirectly - major share packages as of 31 December 2022:

Shareholder	Number of shares held	% of share capital	Number of votes controlled	% of total number of votes
Marcin Iwiński	12 873 520	12.78%	12 873 520	12.78%
Michał Kiciński ¹	10 433 719	10.35%	10 433 719	10.35%
Piotr Nielubowicz	6 858 717	6.81%	6 858 717	6.81%

1. As disclosed in [Current report no. 33/2021](#) of 26 May 2021.

As disclosed in [Current report no. 41/2022](#) of 6 October 2022, the aggregate percentage share of votes controlled by The Goldman Sachs Group, Inc. as a result of holding shares (1.76%) and other financial instruments (5.02%) was 6.78% as of 3 October 2022. According to the relevant notification obtained by the parent Company, The Goldman Sachs Group, Inc. controls 1 775 065 votes from shares, 1 850 802 votes which may be gained in the exercise or conversion of a financial instrument comprising securities on loan, and 3 201 447 votes from other types of financial instruments.

Holders of securities which provide special control rights

All shares of CD PROJEKT S.A. are ordinary bearer shares which do not incorporate any special rights, including control rights.

Limitations on the exercise of voting rights

Under the CD PROJEKT S.A. Articles of Association, a restriction attaches to the exercise of voting rights by shareholders (or groups of shareholders which are either dominant or subordinate with respect to one another) who control, individually or jointly (in the case of

groups of shareholders) more than 20% of the total number of votes incorporated by Company shares. When a situation arises where a shareholder (or a group of shareholders) exceeds the specified voting threshold, that shareholder (or group of shareholders) may only cast votes from 20% of the total number of Company shares. The aforementioned restriction does not apply to entities or groups of entities which jointly control more than 50% of votes as a result of having purchased shares by way of a public offer to acquire all remaining shares of the Company. Details are provided in §25a and §25b of the Company's Articles of Association.

Except for the above, no other limitations apply to the exercise of voting rights, including temporal limitations on voting or other provisions under which, in cooperation with the Company, ownership of securities is deprived of some rights incidental thereto.

Limitations on transferability of ownership rights to the Issuer's securities

The CD PROJEKT S.A. Articles of Association do not provide for any limitations on transferability of ownership rights to the Issuer's securities.

Rules regarding appointment and dismissal of management members and determining their authority

Members of the Management Board of CD PROJEKT S.A. are appointed and dismissed in accordance with the Commercial Companies Code and the Company Articles. The Management Board is comprised of one or more members appointed and dismissed by the Supervisory Board. A President of the Board may be designated. The number of Management Board members and their responsibilities are determined by the Supervisory Board. Management Board members are appointed for four-year terms.

Management Board competences include all matters related to management of the Company not otherwise reserved to the General Meeting or the Supervisory Board in accordance with the Commercial Companies Code and the Company Articles.

Supervisory Board approval, issued in the form of a resolution, is required when incurring liabilities or purchasing or selling assets whose value exceeds 10% of the Company's equity

as disclosed in its most recent financial statement, except where such activities concern sales of Company products and services.

Should a Management Board consisting of more than one person be appointed, the right to represent the Company appertains to any two members of the Management Board acting jointly, or to any member of the Management Board acting together with a holder of a commercial power of attorney (proxy). Should a sole Manager be appointed, that person may represent the Company singlehandedly.

The Management Board of CD PROJEKT S.A. is not authorized to decide to issue shares. In accordance with the existing law and with the Company Articles any issuance of shares and increase in the Company's share capital requires a suitable General Meeting resolution.

The Management Board of the Issuer is only authorized to purchase Company shares under the specific provisions of the Commercial Companies Code governing the purchase of own shares.

Disclosure of rules regarding amendment of the Issuer's Articles of Association

Any change in the Issuer's Articles of Association requires a suitable General Meeting resolution and a corresponding entry in the court register. Any announcement of a convocation of a General Meeting whose agenda includes proposed amendments to the Company Articles should include a description of existing statutory provisions as well as the full text of any proposed amendments¹. If the proposed amendments are sufficiently broad in scope, the announcement may include the full text of the amended Articles, along with a summary of newly introduced or altered provisions.

Amendments to the Company Articles require a three-fourths majority at the General Meeting to enter into force. Additionally, any amendment which either increases benefits due to shareholders or restricts the rights expressly granted to individual shareholders must be approved by all affected shareholders¹.

¹. Pursuant to the provisions of the Commercial Companies Code (art. 430 § 1, art. 402 § 2, art. 415 § 1, art. 415 § 3).

In 2022 the Company Articles were amended with regard to:

- a) §14 – concerning the scope of reports which the Management Board is obligated to submit to the Supervisory Board,
- b) §16 – concerning Supervisory Board approval required when a member of the Management Board seeks appointment to the corporate bodies of an entity which is not part of the Company's Group,
- c) §21 – concerning a resolution to investigate, at the Company's cost, certain matters related to the Company's activities or assets, and to solicit analyses and opinions from a selected consultant, pursuant to the provisions of the Commercial Companies Code.

These amendments were approved by the General Meeting which subsequently authorized the Supervisory Board to prepare a consolidated text of the amended Articles incorporating the aforementioned changes ([Resolutions no. 22, 23 and 24](#) of 28 June 2022).

Scope of empowerment of the General Meeting, shareholder rights and methods of exercising them

Throughout 2022, in accordance with the Commercial Companies Code, the Company Articles and the General Meeting Regulations, the General Meeting may have been called on an ordinary or extraordinary basis. The full text of the General Meeting Regulations is available on the Company website at www.cdprojekt.com.

The General Meeting is called to order by the Chairperson or Deputy Chairperson of the Supervisory Board. If neither is present, the General Meeting is called to order by the President of the Board or by the person specifically appointed for this duty by the Management Board. If none of the above-mentioned persons are present, the General Meeting may be called to order by any of its participants.

The General Meeting Chairperson oversees the proceedings of the General Meeting in accordance with the approved agenda, the Company Articles, the General Meeting Regulations and any applicable legal constraints. The Chairperson is responsible for ensuring efficient progress of the meeting, respecting the rights and interests of all shareholders.

The General Meeting may approve the proposed agenda without changes, reorder its items or remove some items under the condition that any resolution to strike an item from the meeting agenda is well justified and stems from a compelling reason, and that the parties who originally placed or demanded the placement of the given item on the agenda agree to the change. The General Meeting may also add new items to the meeting agenda and discuss them without voting on a resolution. Should the General Meeting approve a resolution to strike a given item from the agenda, any motions made in relation to that item are left unresolved. The General Meeting Chairperson is not authorized to single handedly strike items from the agenda or change their order. Following a brief presentation of each item on the agenda, the General Meeting Chairperson opens the debate, yielding the floor to each registered speaker in succession.

The Chairperson may yield the floor to members of the Management Board, Supervisory Board and experts invited thereby. The Chairperson announces the contents of motions and draft resolutions filed by the entitled parties in relation to that item. Voting priority is accorded to draft resolutions submitted by the entity which convened the General Meeting, or – when the given agenda item was placed on the agenda by or upon request of another entity – to draft resolutions submitted by that entity. Up until a vote has been called, the entity which originally submitted the draft resolution may amend its contents.

In procedural matters the Chairperson may yield the floor to selected speakers outside the order of submission. Procedural motions may concern the following: limiting, adjourning or closing the debate, closing the list of speakers, adjourning the meeting, limiting the speakers' time allotment or changing the order of voting. Procedural motions should be debated immediately upon submission.

A Ballot Commission is appointed upon request of any shareholder entitled to participate in the General Meeting. The Ballot Commission consists of three members, elected from among persons entitled to participate in the General Meeting, with each shareholder allowed to nominate one candidate, except for the original requestor, who is allowed to nominate three candidates.

The company respects shareholders' rights as set forth in the Commercial Companies Code and the Company Articles.

Composition of the Issuer's management and supervisory bodies and their committees in 2022

Management Board of CD PROJEKT S.A.

In 2022 the Management Board of the Company acted in accordance with the Commercial Companies Code, the Company Articles and the Management Board Regulations. The Management Board Regulations, as instituted by the Supervisory Board, are available on the Company website at www.cdprojekt.com.

A change in the composition of the Management Board occurred in 2022. During the reporting period the Management Board operated with the following members:

Name	Position
Adam Kiciński	President of the Board
Marcin Iwiński ¹	Vice President of the Board
Piotr Nielubowicz	Vice President of the Board
Adam Badowski	Board Member
Michał Nowakowski	Board Member
Piotr Karwowski	Board Member
Paweł Zawodny ²	Board Member
Jeremiah Cohn ²	Board Member

¹. On 4 October Mr. Marcin Iwiński tendered his resignation from the position of Vice President of the Management Board for International Affairs and Member of the Management Board, effective at end of day on 31 December 2022, and notified the Company of his intent to seek appointment as Chairperson of the Supervisory Board of the Company on the day immediately following the day on which his membership of the Management Board formally expires. On 20 December 2022 the General Meeting of Shareholders appointed Mr. Marcin Iwiński to the Supervisory Board of the Company effective on 1 January 2023 (see [Current report no. 38/2022](#)).

². On 26 January 2022 the Supervisory Board of the Company adopted a resolution appointing Mr. Jeremiah Cohn and Mr. Paweł Zawodny to the Management Board of CD PROJEKT S.A., effective on 1 February 2022 (see [Current report no. 4/2022](#)).

The Management Board, acting in the interest of the Company, determines its overall strategy and business objectives, submits them for approval to the Supervisory Board and subsequently oversees their implementation. The Management Board is responsible for the efficiency and clarity of managerial procedures in place at the Company as well as for their compliance with legal regulations and best practices for WSE listed companies.

The Management Board Regulations stipulate that when the Board consists of multiple persons, all Board Members are empowered and obligated to jointly oversee Company affairs. Communication of an informal nature with other Company organs or external parties may be conducted singly by any Board Member as long as such communication does not entail any declarations of will on behalf of the Company. Meetings of the Management Board are convened by the President of the Board on his/her own initiative or upon request of another Board Member.

Management Board resolutions are recorded. Each Management Board resolution is issued in the form of a separate document specifying the number of votes cast for the resolution and the outcome of voting. Resolutions are signed by all Management Board members attending the session during which the given resolution was adopted. In justifiable cases, in order to facilitate business operations, the Management Board may adopt resolutions outside of meetings, either in writing or via remote communication facilities enabling simultaneous participation of all Management Board members. All resolutions adopted in this manner must be presented at the nearest Management Board session, along with the outcome of voting on each such resolution, and be duly included in the session's minutes in the form of appendices. Management Board meetings are minuted by the person appointed for this task by the meeting chair. Meeting minutes must be signed by all attending Management Board members not later than at the subsequent Management Board meeting.

Supervisory Board of CD PROJEKT S.A.

In 2022 the Supervisory Board of the Company acted in accordance with the Commercial Companies Code, the Company Articles and the Management Board Regulations. The Supervisory Board Regulations are available on the Company website at www.cdprojekt.com.

The composition of the Supervisory Board changed in 2022. During the reporting period the Supervisory Board operated with the following members:

Name	Position
Katarzyna Szwarz ¹	Chairperson of the Supervisory Board
Piotr Pągowski ²	Deputy Chairperson of the Supervisory Board
Maciej Nielubowicz	Secretary of the Supervisory Board
Michał Bień	Supervisory Board Member
Łukasz Wejchert	Supervisory Board Member

¹Dismissed from the position of Chairperson of the Supervisory Board by Supervisory Board resolution no. 1 of 20 December 2022, effective on 1 January 2023, and appointed Deputy Chairperson of the Supervisory Board, effective on 1 January 2023 (see [Current report no. 59/2022](#)).

²Tendered his resignation from the Supervisory Board on 4 October 2022, effective on 31 December 2022 (see [Current report no. 39/2022](#)).

On 20 December 2022 the Extraordinary General Meeting adopted resolution no. 3 appointing Mr. Marcin Piotr Iwiński to the Supervisory Board for the duration of its current term of office, effective on 1 January 2023. In conjunction with the above, on 20 December 2022 the Supervisory Board of the Company adopted resolution no. 1 appointing Mr. Marcin Piotr Iwiński as Chairperson of the Supervisory Board, effective on 1 January 2023 (see [Current report no. 59/2022](#)).

The Supervisory Board oversees Company activities on a regular basis. A detailed list of Supervisory Board competences is set forth in the Company Articles and the Supervisory Board Regulations. Supervisory Board resolutions require a qualified majority of votes cast in the presence of at least half the incumbent Supervisory Board Members. Voting is public, although the Supervisory Board may institute secret ballots if requested by at least one Supervisory Board Member and in matters specified in the CCC.

The Supervisory Board adopts resolutions at meetings. Each meeting is minuted, and the minutes are signed by all Supervisory Board Members present at the meeting. Meeting minutes are archived at the Company registered office.

The Supervisory Board is also authorized to adopt resolutions outside the meeting in writing or using means of electronic communication, ensuring simultaneous communication among all Supervisory Board members. Adopting a resolution in this manner requires that the

corresponding draft resolution be presented to all members of the Supervisory Board, by registered mail, personal delivery or e-mail. Adoption of a resolution is confirmed by drawing up a protocol of adopting the resolution, signed by the Chairperson of the Supervisory Board or the Secretary, immediately after the end of voting. Resolutions adopted in the manner specified above must be entered into the minutes of the subsequent meeting.

CD PROJEKT S.A. Audit Committee

Acting in compliance with Art. 128 section 1 of the Act on Licensed Auditors, Audit Firms and Public Supervision of 11 May 2017, on 11 October 2017 the Supervisory Board appointed an Audit Committee.

The Audit Committee Regulations are available on the Company website at www.cdprojekt.com.

Changes in the composition of the Audit Committee occurred in 2022. During the reporting period the Audit Committee operated with the following members:

Name	Position
Michał Bień	Chairman of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act ¹
Katarzyna Szwarz ²	Member of the Audit Committee meeting criteria under Art. 129 section 5 of the Act, obtained while holding the position of the Chairman of the Supervisory Board of the Company ¹
Maciej Nielubowicz	Member of the Audit Committee possessing knowledge and skills in the area of accounting or auditing financial statements, under Art. 129 section 1 of the Act, acquired in the course of obtaining higher education and in the course of gaining professional experience in other entities ¹
Piotr Pągowski ³	Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act ¹
Łukasz Wejchert	Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act ¹

¹: Act of 11 May 2017 on licensed auditors, audit firms and public supervision.

² A change in the composition of the Audit Committee was decided upon by the Supervisory Board pursuant to Art. 128 and 129 of the Act of 11 May 2017 on licensed auditors, audit firms and public supervision, due to changes in the composition of the Supervisory Board of the Company during its current term of office. The Supervisory Board decided that effective on 1 January 2023 Ms. Katarzyna Szwarc would no longer hold membership of the Audit Committee during the current term of office of the Supervisory Board (see [Current Report no. 59/2022](#)).

³ Tendered his resignation from the Audit Committee on 4 October 2022, effective at end of day on 31 December 2022 (see [Current Report no. 39/2022](#)).

The Audit Committee is a standing committee which acts in compliance with the norms and regulations applicable to the Company, including in particular the above-mentioned act. The Audit Committee consists of at least three members, one of whom must be appointed its Chairperson. The Audit Committee is elected by the Supervisory Board in an open ballot and its term is equivalent to the term of the Supervisory Board. Audit Committee members must be elected from among incumbent members of the Supervisory Board and must fulfill specific criteria set forth in the Act on Licensed Auditors, Audit Firms and Public Supervision.

The Supervisory Board is empowered to appoint Audit Committee Members and to freely dismiss them by adopting a suitable resolution. The term and mandate of the Audit Committee expires along with the corresponding term of the Supervisory Board. The Audit Committee fulfills duties specified in the act, and provides advice to the Supervisory Board in its area of responsibility.

The Audit Committee is a collegial body and hold meetings prior to publication of any periodic report by the Company or its Group. The Audit Committee Chairperson is authorized to convene the meeting and specify its date. In exceptional circumstances an Audit Committee meeting may be convened by the Chairperson or Deputy Chairperson of the Supervisory Board. The person who convenes the meeting is also responsible for setting its agenda. Audit Committee meetings are scheduled in the same manner as Supervisory Board meetings. The Audit Committee issues decisions, opinions, motions, recommendations and reports which are submitted to the appropriate bodies of the Company.

Audit Committee meetings are minuted. The minutes are signed by the Committee Members participating in the meeting and submitted, along with any opinions issued by the Audit Committee, to the Supervisory Board and Management Board.

The Audit Committee submits reports on its activities to the Supervisory Board. Each report should include the composition of the Audit Committee and the number of meetings held

during the given financial year. Reports should be submitted in a timely manner so as to enable the Supervisory Board to include their content in its own annual report.

Three meetings of the Audit Committee were held in 2022.

Information concerning the entity authorized to perform audits of financial statements

Permitted non-audit services

Over the course of 2022, the audit firm contracted to audit the Company's financial statements provided the Company with permitted services other than audits of financial statements. This was done on the basis of a decision by the Audit Committee of CD PROJEKT S.A. The aforementioned services comprised an audit of the CD PROJEKT S.A. Supervisory Board report on remuneration of members of the Management Board and the Supervisory Board for 2021.

Key assumptions of the adopted policy of contracting an audit firm to conduct an audit of the financial statement

In accordance with the "Policy governing selection and rotation of entities charged with auditing financial statements and procurement of other permissible services from entities authorized to perform audits of financial statements" in force at CD PROJEKT S.A., the competences of the Supervisory Board of the Company include selection of an entity contracted to audit financial statements of the Company. The decision to select an entity authorized to audit financial statements is issued in the form of a Supervisory Board resolution.

Based on Art. 130 of the Act of May 11, 2017 on licensed auditors, audit firms and public supervision, the tasks of the Audit Committee include, among others, submitting recommendations to the Supervisory Board regarding the selection, appointment, re-appointment and dismissal of the statutory auditor as well as the terms and conditions for establishing cooperation with statutory auditors. If it is necessary to select an entity authorized to audit the financial statements of companies from the CD PROJEKT Group, the Audit Committee carries out a formal procedure of selecting a statutory auditor through a tender procedure, based upon the following rules:

a) The Audit Committee indicates audit firms that meet the selection criteria and sends them an inquiry. The inquiry is directed to at least 4 audit companies. The company prepares tender documentation which: enables these companies to learn about the activities of CD PROJEKT S.A. and the CD PROJEKT Group; contains an indication of the financial statements subject to audit; it contains transparent and non-discriminatory selection criteria that are used by the Company to evaluate offers submitted by audit firms.

b) The Audit Committee performs an initial analysis of the bids and prepares a list of potential candidates for the statutory auditor of financial statements of companies belonging to the CD PROJEKT Group.

c) The Audit Committee carries out interviews and/or meetings with potential candidates.

d) The Audit Committee may delegate or use the assistance of the Management Board of CD PROJEKT S.A. in order to carry out the above activities.

e) The selection of the statutory auditor is made taking into account the principles of impartiality and independence of the audit firm and the analysis of the works performed by it in the Company, which go beyond the scope of the audit of the financial statements in order to avoid a conflict of interest. The Audit Committee assesses the independence of the audit companies that were on the list of potential candidates for the statutory auditor of the financial statements of the companies of the CD PROJEKT Group.

f) The Company and the Audit Committee take into account all findings or conclusions contained in the annual report of the Audit Oversight Commission referred to in art. 90 sec. 5 of the Act, which may affect the selection of the audit firm.

g) The Company evaluates the bids submitted by the audit firms in accordance with the adopted selection criteria specified in the tender documentation and prepares a report containing the conclusions of the selection procedure approved by the Audit Committee.

h) The Audit Committee prepares a recommendation for the Supervisory Board. The recommendation of the Audit Committee includes at least two audit firms with justification and an indication of the Audit Committee's justified preference for one of them.

i) The Supervisory Board selects an entity authorized to audit financial statements on the basis of the Audit Committee's recommendations.

j) If the decision of the Supervisory Board regarding the selection of the audit firm deviates from the recommendation of the Audit Committee, the Supervisory Board justifies the reasons for non-compliance with the recommendations of the Audit Committee and communicates such justification to the body approving the financial statements of CD PROJEKT S.A.

In accordance with the adopted "Policy governing selection and rotation of entities charged with auditing financial statements and procurement of other permissible services from entities authorized to perform audits of financial statements", the first audit agreement with an auditing company is signed for a minimum period of 2 years with the possibility of extension for subsequent periods, each of which must be at least two years long. In the event that the recommendation of the Audit Committee regarding the selection of an entity authorized to audit concerns the extension of the audit agreement, the Audit Committee may withdraw from collecting offers from entities other than the entity with which it recommends extending the agreement for the audit of financial statements.

According to the adopted principles governing rotation of statutory auditors, a key statutory auditor may perform audit activities for a period not longer than 5 years, and the uninterrupted duration of statutory audit engagements carried out by the same audit firm may not exceed 10 years. After the expiry of the maximum duration of the engagement, the audit firm does not undertake the statutory audit of the Company for the next 4 years.

Key aspects of the policy of procurement from the audit firm contracted to perform an audit, entities affiliated therewith and members of the audit firm's network, of other permissible services which do not involve auditing financial statements

The main assumptions governing procurement of permitted non-audit services from the audit firm contracted to perform an audit are set out in the "Policy governing selection and rotation of entities charged with auditing financial statements and procurement of other permissible services from entities authorized to perform audits of financial statements" in force at CD PROJEKT S.A.

In accordance with the adopted Policy, an entity authorized to audit financial statements may provide companies of the CD PROJEKT Group with services other than auditing or review of financial statements, which do not constitute prohibited services under Art. 5 sec. 1, second paragraph of Regulation No 537/2014, and are included in the catalog of permitted services referred to in Art. 136 sec. 2 of the Act and only to the extent unrelated to the tax policy of the companies of the CD PROJEKT Group, after the Audit Committee assesses the threats and safeguards to the independence of the audit firm and the key statutory auditor, and the Audit Committee approves provisioning thereof.

Recommendation regarding the selection of an audit firm to perform an audit

The recommendation regarding the selection of an audit firm is prepared as a result of a selection procedure organized by the Company in accordance with the applicable criteria.

On 24 February 2022 the Audit Committee issued decision no. 1 concerning a recommendation to extend the contract with an entity authorized to perform audits, effectively recommending that the Supervisory Board extend the existing contract with the licensed auditor in the scope of auditing and reviewing separate and consolidated financial statements of the Company for 2022-2023, including attestation of their compliance with ESEF requirements, and statutory audits of remuneration reports for 2022-2023.

On 9 March 2022 the Supervisory Board of CD PROJEKT S.A. adopted resolution no. 1 concerning selection of a licensed auditor to perform audits of financial statements. The Supervisory Board voted to contract Grant Thornton Polska sp. z o.o. sp. k. with a registered seat in Poznań, to carry out audits and reviews of separate and consolidated financial

statements of the Company for 2022-2023, including attestation of their compliance with ESEF requirements, and statutory audits of remuneration reports for 2022-2023.

Description of the diversity policy

The Company has adopted a Diversity Policy, which defines the basic values in relations with team members, key managers and representatives of the Management Board and Supervisory Board.

In line with the Diversity Policy, for all team members, including the Management Board, the Supervisory Board of CD PROJEKT S.A. and among the Company's key managers the general principle of non-discrimination of team members and bodies, is applied. The company has pursued a policy of appointing competent, creative people with appropriate professional experience and education to the group of authorities and key managers. Members of the Management Board and Supervisory Board are educated in such areas as management and marketing, finance, law and IT. All members of the Management Board of CD PROJEKT S.A. also possess many years of experience in discharging managerial duties at the CD PROJEKT Group.

In addition to the above, the Company is a signatory to the Diversity Charter, which prohibits workplace discrimination and obligates its signatories to engage in activities which foster and promote diversity. Diversity, equality and respect for human rights are all basic values enshrined in [Rules of the Game: Business and Ethics Standards at the CD PROJEKT Group](#).

This statement regarding the implementation of corporate governance policies at the CD PROJEKT Group and CD PROJEKT S.A. was approved for publication by the Management Board of CD PROJEKT S.A. on 30 March 2023 and signed on 30 March 2023, pursuant to Art. 52 section 3 item 2 of the Accounting Act of 29 September 1994 (JL 2023, item 120, as amended).



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