



Policy for selecting and rotating the audit firm authorized to perform audits of financial statements and provide permissible services other than audits at the CD PROJEKT Group

INTRODUCTION

1. Pursuant to the following regulations:
 1. act of 11 May 2017 on licensed auditors, audit firms and public supervision (hereinafter: **Act**),
 2. Accounting Act of 29 September 1994, and
 3. Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC

the Audit Committee of the Supervisory Board (hereinafter: **Audit Committee**) of CD PROJEKT S.A. (hereinafter: **Company**) hereby institutes the following policy (hereinafter: **Policy**) for companies comprising the CD PROJEKT Group (hereinafter: **Group**).

2. The Policy concerns selection and rotation of the audit firm authorized to:
 1. perform statutory audits of financial statements of the Company and consolidated financial statements of the Group for the given fiscal year (hereinafter: **Audit**),
 2. perform attestation of the Group's sustainability reporting for the given fiscal year (hereinafter: **Attestation**),
 3. perform, either directly or through entities affiliated with itself, or by members of the audit firm's network, of permissible services other than the Audit or Attestation.

AUDIT FIRM SELECTION PROCEDURE

General provisions

3. The Audit Committee oversees selection of the audit firm, and ensures that this selection is based on the principles of impartiality and competitiveness,
4. The Company is responsible for performing the selection procedure and carrying out organizational activities associated therewith. Coordination of this procedure on the part of the Company is the responsibility of the Chief Financial Officers (CFO) or persons appointed thereby (hereinafter: **Coordinating Team**).
5. In the scope of organizational activities related to selection of the audit firm, the Coordinating Team:
 1. notifies the Audit Committee of the need to initiate the audit firm selection procedure,
 2. prepares a draft schedule and list of audit firms which, in the Coordinating Team's opinion, may meet the selection criteria,
 3. prepares a request for offers,
 4. contacts potential applicants,
 5. prepares summaries and comparisons of the offers received,
 6. undertakes negotiations in the scope of contractual provisions.
6. The audit firm selection process should be timed in such a way as to enable the audit firm to participate in stock-taking of the Group's material assets and ensure timely performance of the Audit and Attestation.



7. The Audit Committee recommends that all member companies of the Group subject to audits and consolidation be audited by the same audit firm. Derogations from this rule should only be applied in justifiable cases, such as:
 1. entry into the Group of a new company whose financial statements are audited by a different audit firm on the basis of an audit contract concluded prior to that company's entry into the Group, or
 2. non-materiality of the given company's financial results in the scope of the Group's consolidated financial statement,
 3. reasonable site-specific considerations, or
 4. other compelling reasons.
8. Selection of an audit firm at a subsidiary company is the responsibility of the official body which approves that company's financial statement, unless the company's articles of association, another similar constitutional document in force at a foreign company, or the applicable legislation declare otherwise.

Request for offers

9. The Audit Committee decides to initiate the selection procedure and submit a request for offers to audit firms identified by the Coordinating Committee or by the Audit Committee itself.
10. The Coordinating Committee shall submit the request for offers to at least four audit firms, based on principles of equality, fair competition and transparency. In doing so, the Coordinating Committee shall acknowledge the list of audit firms published by the Polish Audit Supervision Authority pursuant to Art. 91 of the Act.
11. The tender documentation shall contain, in particular, the following:
 1. description of the activities of the Company and its Group, or references to publicly accessible documents containing such information, including activity reports by the Management Board and financial statements published in the Company's periodic reports,
 2. list of reports to be covered by the Audit and Attestation,
 3. clear and non-discriminatory offer selection criteria.
12. The offer selection criteria shall cover, among others:
 1. the requirement to ensure independence of the audit firm and of the key audit partner pursuant to Art. 69-73 of the Act,
 2. experience involving Audit and Attestation of companies representing the same market segment and traded on the stock exchange,
 3. qualifications and professional experience of the proposed external audit team, in particular as relates to application of International Financial Reporting Standards (IFRS) and European Sustainability Reporting Standards (ESRS),
 4. access to experts specializing in enterprise finance, taxation, IT systems, internal control and risk management,
 5. ability to carry out Audit and Attestation within the timeframe required by the Company,
 6. reputation and reliability of the audit firm, including testimonials,
 7. payment.

Selection criteria may be further detailed in the request for offers submitted to audit firms.

13. The Coordinating Team shall evaluate the compliance of any offers received with the selection criteria. Results of this evaluation shall be documented in an audit firm selection report, which will include, at a minimum, the following information:
 1. description of the applied procedure,



2. list of all offers received, along with a summary of their evaluation in accordance with the adopted criteria,
 3. confirmation that the procedure conforms to the provisions of Regulation (EU) No 537/2014, the Act and this Policy.
14. The Coordinating Team submits its reports to the Audit Committee for approval.

Recommendation and selection of the audit firm

15. The Audit Committee shall submit to the Supervisory Board its recommendation concerning the selection of the audit firm, prepared on the basis of conclusions from the selection procedure carried out by the Coordinating Committee.
16. Before issuing its recommendation to the Supervisory Board concerning selection of the audit firm, the Coordinating Committee also takes into account the following:
 1. information concerning independence, including any threats thereto, and of the qualifications of the auditor,
 2. transparency reports, prepared in accordance with Art. 13 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and published by the audit firms which submitted their offers, and
 3. conclusions expressed in the annual report of the Polish Financial Audit Authority, insofar as they may affect selection of the audit firm.
17. The Audit Committee's recommendation shall list at least two audit firms, along with the rationale behind their selection, as well as a justified preference of the Audit Committee for one of the named firms.
18. In its recommendation the Audit Committee declares that the recommendation was not influenced by any third parties, and that the Company had not concluded any contracts containing clauses which could restrict its ability to select the licensed auditor or audit firm for the purpose of carrying out the Audit and Attestation.
19. The Supervisory Board performs selection of the audit firm by adopting a resolution based on the Audit Committee's recommendation. This resolution must be adopted in a timely manner, enabling the Audit and Attestation to proceed uninterrupted.
20. If the Supervisory Board's decision concerning selection of the audit firm differs from the recommendation submitted by the Audit Committee, the Supervisory Board shall justify its decision to reject the Audit Committee's recommendation, and communicate this justification to the General Meeting.

Contract with the audit firm

21. The Management Board shall conclude a contract covering the Audit and Attestation once the Supervisory Board has selected the audit firm.
22. The initial contract covering the Audit and Attestation is concluded for a period of at least two years, with a prolongation option covering further periods, each of which must also cover at least two years.
23. The Coordinating Team aims to introduce contractual provisions obligating the audit firm to regularly notify the Company of any circumstances which might result in a loss of its authorization to perform the Audit or Attestation, and of any ongoing proceedings in this scope.
24. Should the Company become aware of a possible breach of the law, professional ethics codes or independence criteria, the Audit Committee, acting together with the Coordinating Team, shall analyze the situation and decide on further actions, including possible submission to the Supervisory Board of a recommendation to dissolve the contract with the audit firm.



25. Should the contract with the audit firm be dissolved, the Company shall immediately notify the Polish Financial Audit Authority and the Financial Supervision Authority of this fact, stating the underlying causes. In parallel, the Coordinating Team shall initiate the process of selection of a new audit firm, pursuant to this Policy. In such circumstances the request for offers may be submitted to at least two audit firms.

Payment

26. Payment remitted by the Company for performance of the Audit and Attestation may not:
1. depend on any conditions, including the outcome of the Audit or Attestation,
 2. be affected by or conditioned upon procurement by the Company or its Group of any additional services other than the Audit or Attestation.
27. Payment for performance of the Audit and Attestation shall reflect the workload and complexity of work involved, and the required competences.
28. If, over a period of three consecutive years, payment received by the audit firm from the Company or its Group exceeds 15% of that firm's total revenues, the Audit Committee shall analyze whether these circumstances may be detrimental to the auditor's independence. The Committee shall discuss with the audit firm the possible means of mitigating such risks, and may:
1. commission a supplementary assessment of the integrity of the audit from an independent auditor,
 2. prolong cooperation with the given audit firm for not more than two further years.

COOPERATION WITH THE AUDIT FIRM

Assessment of to-date cooperation

29. At least once a year the Audit Committee shall perform an assessment of to-date cooperation with the auditor.
30. The aforementioned assessment shall cover, among others, the following factors:
1. quality and timeliness of the Audit and Attestation performed,
 2. communication and interactions with the audit team,
 3. independence of the audit firm and of the key audit partner,
 4. adequacy of resources and skills possessed by the audit team,
 5. means of reacting to the identified risks, and recommendations submitted to the Company,
 6. transparency of rules governing payment and scope of services,
 7. other information in possession of the Audit Committee regarding the audit firm and its authorization to perform the Audit and Attestation.
31. The assessment is prepared on the basis of the following:
1. the Audit Committee's own analyses,
 2. information received from the audit firm, including the additional report submitted thereby,
 3. conclusions and findings presented by the Polish Financial Audit Authority following its audit of the audit firm,
 4. information and opinions presented by the CFO or persons appointed thereby, including in organizational matters related to cooperation with the audit firm.
32. Once a year the Audit Committee shall obtain from the audit firm a confirmation of its independence, along with information on any threats thereto which have been brought to the audit firm's attention, and the applied means of mitigating such threats.



Prolongation of cooperation with the audit firm

33. In cases where prolongation of cooperation with the existing audit firm is contemplated, the Audit Committee may forgo soliciting offers from other audit firms. In such circumstances:
- a. the Coordinating Team shall invite the existing audit firm to submit an offer pursuant to sections 10-12 of this Policy,
 - b. the Audit Committee shall analyze the provisions of the existing contract and the offer submitted by the existing audit firm,
 - c. the Audit Committee may amend or repeat its assessment referenced in sections 16 and 29-31 of this Policy,
 - d. the Audit Committee shall submit to the Supervisory Board its recommendation concerning prolongation of the contract with the audit firm. Sections 18-20 of this Policy shall continue to apply as appropriate.
34. If the audit firm fails to respond to the invitation to submit an offer or refuses to participate in the process of prolonging cooperation in the context of the Audit and Attestation, the Audit Committee shall initiate the procedure of selecting a new audit firm, pursuant to this Policy.

Rotation of audit firms

35. The Supervisory Board applies the audit firm rotation principle.
36. The maximum period during which services may be continuously procured from the same audit firm, its affiliate or any member of its network, is 10 years.
37. Once the maximum procurement period has elapsed, the given audit firm, its affiliates and members of its network may not perform any additional Audit or Attestation over a period of four further years.
38. A key audit partner may perform Audits or Attestation over a maximum of five years. Cooperation with the key audit partner may only be resumed three years after their final Audit or Attestation.

INDEPENDENCE

39. Throughout the Audit and Attestation, the audit firm, key audit partner and any other natural person participating in the Audit and Attestation on behalf of the audit firm, must maintain their independence.
40. In order to maintain their independence, the audit firm, key audit partner, and other members of their networks must not provide non-Audit and non-Attestation services to Group member companies which might jeopardize their independence.
41. The independence requirement applies to the entire Audit and Attestation, including the period covered by the report, the time taken to perform the relevant services, and the duration of the contract.

NON-AUDIT AND NON-ATTESTATION SERVICES

42. The audit firm and its affiliated entities may perform services other than financial audit services, including Audit and Attestation, for the benefit of Group member companies, as long as those services:
1. are not included on the list of prohibited services specified in Art. 5 of Regulation No 537/2014,
 2. are included on the list of permitted services specified in Art. 136 section 2 of the Act,
 3. are unrelated to the fiscal policy of Group member companies and, in particular, do not involve advice in the scope of fiscal strategy, planning or structure.



4. The Audit Committee shall assess the threats and safeguards related to the independence of the audit firm and the key audit partner, and subsequently
 5. the Audit Committee may accede to procurement of the relevant services.
43. If the audit firm performs non-Audit and non-Attestation services for Group member companies over at least three consecutive years, the total payment for these services may not exceed 70% of the average payment for audits and reviews of financial statements remitted over the past three years.
44. Once a year the Audit Committee shall obtain from the audit firm a summary of all non-Audit and non-Attestation services performed thereby.

CLOSING PROVISIONS

45. This Policy has been approved by a decision of the Audit Committee.
46. The Audit Committee shall oversee implementation of this Policy, and carry out a review thereof at least once every two years, or whenever the applicable legal regulations change.

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.