

Current Report no. 8/2016 – attachment

**Draft resolutions of the Ordinary General Meeting of Shareholders of CD
PROJEKT S.A. convened on 24 May 2016**

**Resolution No. 1
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
*concerning the election of the General Meeting Chairman***

Pursuant to Art. 409 § 1 and Art. 420 § 2 of the Commercial Company Code the General Meeting of Shareholders hereby nominates Mr./Ms. [] as General Meeting Chairman, with the election having taken place in a secret ballot.

Management Board justification concerning Resolution no. 1:

The resolution is technical in character. The requirement to elect a chairman immediately after the opening of the General Meeting stems from Art. 409 § 1 of the Commercial Company Code.

**Resolution No. 2
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
*concerning approval of the General Meeting agenda***

The General Meeting of Shareholders hereby approves the agenda of the General Meeting of Shareholders published on the Company website at [] and in Current Report no. [] of [], to wit:

1. Opening of the General Meeting.
2. Election of General Meeting Chairman.
3. Determining that the General Meeting has been validly convened and is empowered to undertake binding decisions.
4. Approval of General Meeting agenda.
5. Discussion concerning the Company's managerial reports, the Company's financial statement and the consolidated financial statement for 2015.
6. Resolution concerning approval of the Company's financial statement for 2015.
7. Resolution concerning approval of the Management Board report on Company activities in 2015.
8. Resolution concerning the allocation of Company profit in 2015.
9. Resolution concerning the approval of the consolidated financial statement of the CD PROJEKT Capital Group for 2015 and the corresponding Management Board report on CD PROJEKT Capital Group activities in 2015.

10. Resolution on granting a vote of acceptance to the President of the Management Board, Mr. Adam Kiciński, on account of the performance of his duties between 1 January and 31 December 2015.
11. Resolution on granting a vote of acceptance to the Vice President of the Management Board, Mr. Marcin Iwiński, on account of the performance of his duties between 1 January and 31 December 2015.
12. Resolution on granting a vote of acceptance to the Vice President of the Management Board, Mr. Piotr Nielubowicz, on account of the performance of his duties between 1 January and 31 December 2015.
13. Resolution on granting a vote of acceptance to Mr. Adam Badowski, member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.
14. Resolution on granting a vote of acceptance to Mr. Michał Nowakowski, member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.
15. Resolution on granting a vote of acceptance to Mr. Piotr Karwowski, member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.
16. Resolution on granting a vote of acceptance to Chairwoman of the Supervisory Board, Ms. Katarzyna Szwarc, on account of the performance of her duties between 1 January and 31 December 2015.
17. Resolution on granting a vote of acceptance to Deputy Chairman of the Supervisory Board, Mr. Piotr Pągowski, on account of the performance of his duties between 1 January and 31 December 2015.
18. Resolution on granting a vote of acceptance to Mr. Grzegorz Kujawski, member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015.
19. Resolution on granting a vote of acceptance to Mr. Maciej Majewski, member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015.
20. Resolution on granting a vote of acceptance to Mr. Krzysztof Kilian, member of the Supervisory Board, on account of the performance of his duties between 28 May and 31 December 2015.
21. Resolution on granting a vote of acceptance to Mr. Cezary Iwański, former member of the Supervisory Board, on account of the performance of his duties between 1 January and 7 May 2015.
22. Resolution concerning changes in the compensation of Supervisory Board members.
23. Resolution concerning institution of the Incentive Program.
24. Resolution concerning issue of Series B subscription warrants with exclusion of pre-emption rights for existing shareholders, entitling holders to claim Series M shares, and conditional increase in the Company share capital via issue of Series M shares with exclusion of pre-emption rights for existing shareholders in order to facilitate implementation of the Incentive Program, and the corresponding changes in the Company Articles.
25. Resolution concerning approval of buyback of Company shares for redemption.
26. Conclusion of the meeting.

Management Board justification concerning Resolution no. 2:

The resolution is technical in character. The requirement to approve a General Meeting agenda once the attendance list is signed and validated by the General Meeting Chairman stems from § 6 of the General Meeting Regulations.

Resolution No. 3
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning approval of the Company's financial statement of 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 1 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The financial statement of CD PROJEKT S.A. of 31 December 2015, comprising the items listed below, is hereby approved:

1. Statement of financial position of 31 December 2015, with the balance of assets and liabilities valued at 618 617 722.70 PLN,
2. Profit and loss account for the period between 1 January and 31 December 2015, showing a net profit of 336 200 229.96 PLN,
3. Statement of comprehensive income for the period between 1 January and 31 December 2015 showing an aggregate net profit of 336 200 229.96 PLN,
4. Cash flow statement for the period between 1 January and 31 December 2015 showing an increase in monetary assets by 353 275 415.59 PLN,
5. Statement of changes in equity showing an increase in equity by 337 822 905.32 PLN,
6. Other supplementary information and clarifications.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 3:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 1 of the Commercial Company Code.

Resolution No. 4
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning approval of the Management Board report on Company activities for the period between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 1 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Management Board report on Company activities for the period between 1 January and 31 December 2015 is hereby approved.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 4:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 1 of the Commercial Company Code.

**Resolution No. 5
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning allocation of Company profit for 2015**

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 2 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Management Board hereby submits to the General Meeting of Shareholders its recommendation concerning allocation of net profit obtained in 2015 in the amount of 336 200 229.96 PLN. Of this figure 65 353 166.71 PLN is to be allocated towards compensation of losses sustained in the preceding years, while the remainder, i.e. 270 847 063.25 PLN, is to be allocated towards reserve capital.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 5:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 2 of the Commercial Company Code.

**Resolution No. 6
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning approval of the consolidated financial statement of the CD PROJEKT
capital group of 31 December 2015
and the Management Board report on the activities of the CD PROJEKT capital
group in the period between 1 January and 31 December 2015**

Pursuant to Art. 395 § 5 of the Commercial Company Code the General Meeting has decided the following:

§ 1

1. The financial statement of the CD PROJEKT Capital Group of 31 December 2015, comprising the items listed below, is hereby approved:
 1. Consolidated statement of financial position of 31 December 2015, with the balance of assets and liabilities valued at 673 946 437.16 PLN,
 2. Consolidated profit and loss account for the period between 1 January and 31 December 2015, showing a net profit of 342 429 859.76 PLN,
 3. Consolidated statement of comprehensive income for the period between 1 January and 31 December 2015 showing an aggregate net profit of 344 019 502.35 PLN,
 4. Consolidated cash flow statement for the period between 1 January and 31 December 2015 showing an increase in monetary assets by 359 241 788.14 PLN,
 5. Statement of changes in consolidated equity showing an increase in equity by 345 657 366.08 PLN,
 6. Other supplementary information and clarifications
2. The report on the activities of the CD PROJEKT Capital Group in the period between 1 January and 31 December 2015 is hereby approved.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 6:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 5 of the Commercial Company Code.

**Resolution No. 7
of 24 May 2016**

**of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw**

on granting a vote of acceptance to the President of the Management Board, Mr. Adam Kiciński, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to the President of the Management Board, Mr. Adam Kiciński, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 7:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 8
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to the Vice President of the Management Board, Mr. Marcin Iwiński, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to the Vice President of the Management Board, Mr. Marcin Iwiński, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 8:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 9
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to the Vice President of the Management Board, Mr. Piotr Nielubowicz, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to the Vice President of the Management Board, Mr. Piotr Nielubowicz, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 9:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 10
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Adam Badowski, Member of the
Management Board, on account of the performance of his duties between 1 January
and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Adam Badowski, Member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 10:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 11
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Michal Nowakowski, Member of the
Management Board, on account of the performance of his duties between 1 January
and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Michał Nowakowski, Member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 11:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 12
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Piotr Karwowski, Member of the
Management Board, on account of the performance of his duties between 1 January
and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Piotr Karwowski, Member of the Management Board, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 12:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 13
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Chairwoman of the Supervisory Board, Ms.
Katarzyna Szwarz, on account of the performance of her duties between 1 January
and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Chairwoman of the Supervisory Board, Ms. Katarzyna Szwarz, on account of the performance of her duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 13:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

**Resolution No. 14
of 24 May 2016**

**of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw**

on granting a vote of acceptance to Deputy Chairman of the Supervisory Board, Mr. Piotr Pałowski, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to deputy Chairman of the Supervisory Board, Mr. Piotr Pałowski, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 14:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

**Resolution No. 15
of 24 May 2016**

**of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw**

on granting a vote of acceptance to Mr. Grzegorz Kujawski, Member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Grzegorz Kujawski, Member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 15:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 16
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Maciej Majewski, Member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Maciej Majewski, Member of the Supervisory Board, on account of the performance of his duties between 1 January and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 16:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 17
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Krzysztof Kilian, Member of the Supervisory Board, on account of the performance of his duties between 28 May and 31 December 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Krzysztof Kilian, Member of the Supervisory Board, on account of the performance of his duties between 28 May and 31 December 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 17:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 18
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
on granting a vote of acceptance to Mr. Cezary Iwański, former Member of the
Supervisory Board, on account of the performance of his duties between 1 January
and 7 May 2015

Pursuant to Art. 393 item 1 and Art. 395 § 2 item 3 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby grants a vote of acceptance to Mr. Cezary Iwański, former Member of the Supervisory Board, on account of the performance of his duties between 1 January and 7 May 2015.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 18:

A resolution of this kind is usually adopted at Ordinary General Meetings, as stipulated by Art. 395 § 2 item 3 of the Commercial Company Code.

Resolution No. 19
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning changes in compensation of Supervisory Board members

Pursuant to Art. 392 of the Commercial Company Code the General Meeting has decided the following:

§ 1

The Ordinary General Meeting hereby approves the following compensation scheme for members of the Supervisory Board:

- a) Chairman of the Supervisory Board – 8,000.00 (eight thousand) PLN per month;
- b) Members of the Supervisory Board – 4,000.00 (four thousand) PLN per month.

§ 2

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 19:

The postulated increase in compensation of Supervisory Board members is driven by the need to adjust their remuneration in step with the expansion of Company activities, their areas of responsibility and their required involvement in Company affairs associated with Supervisory Board membership.

**Resolution No. 20
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning institution of the Incentive Program**

I. INCENTIVE PROGRAM

§ 1

1. An incentive program (hereafter referred to as the Incentive Program) is hereby instituted for the benefit of people viewed as critical to the Company and other members of its Capital Group.
2. The Incentive Program will be implemented over the course of 6 (six) fiscal years covering the 2016-2021 period.
3. The aim of the Program is to create optimal conditions for continued improvements in the Company's financial result and market capitalization by forging long-term bonds between the Company and the people to whom the Incentive Program applies (hereafter referred to as the Entitled Parties).

§ 2

1. The Incentive Program will be implemented either via issue and assignment of Subscription Warrants incorporating the right to acquire Company shares issued separately as a conditional increase in the Company share capital with exclusion of pre-emption rights for existing shareholders, or by enabling Entitled Parties to acquire Company shares (hereafter referred to as Own Shares) which will have been purchased by the Company by way of a share buyback program instituted for the

purpose of enabling Entitled Parties to acquire Company shares. In order to become eligible to claim Subscription Warrants or Own Shares, the Entitled Parties are required to fulfill certain goals and criteria to be determined on the basis of this resolution. As an alternative to acquisition of Company shares issued as a conditional increase in the Company share capital with exclusion of pre-emption rights for existing shareholders through exercise of rights incorporated by Subscription Warrants, the Incentive Program also permits holders of Subscription Warrants to acquire Company Shares which will have previously been purchased by the Company for the purpose of redemption.

2. The decision on how the rights afforded under the Incentive Program should be exercised by the Entitled Parties will be undertaken by the Management Board in the form of a resolution. Where such decisions apply to members of the Management Board, the corresponding resolution will be issued by the Supervisory Board along with a report confirming attainment of the Incentive Program goals.

II. ISSUE OF SERIES B SUBSCRIPTION WARRANTS INCORPORATING THE RIGHT TO ACQUIRE SERIES M SHARES

§ 3

1. Under the Incentive Program the Entitled Parties may be invited to claim Subscription Warrants incorporating the right to acquire Series M shares.
2. Subscription Warrants will be offered to Entitled Parties in quantities determined by the relevant Management Board and Supervisory Board resolutions, following confirmation of the attainment of Incentive Program goals, as specified in a separate Terms and Conditions document.
3. Should the Incentive Program be implemented by way of issuance of Subscription Warrants, the right to claim such Warrants shall appertain to not more than 149 (one hundred and forty-nine) persons.

III. BUYBACK OF OWN SHARES

§ 4

1. Should the Management Board of the Company elect to implement the Incentive Program by enabling Entitled Parties to claim Own Shares, the Management Board shall apply to the General Meeting for approval of a share buyback program under the conditions set forth in Art. 362 §1 item 2 of the Commercial Company Code.
2. Own Shares purchased in accordance with the terms listed in section 1 (see above) will be offered for resale to Entitled Parties at the per-share price equivalent to the average closing price of Company Shares over a period of 90 session days preceding the publication of this draft resolution, i.e. 27 April 2016, discounted by 5%. Accordingly, the buyback price offered to Entitled Parties is set at [] PLN.

IV. IMPLEMENTATION OF THE PROGRAM

§ 5

1. The right to acquire Subscription Warrants or Own Shares shall appertain to persons regarded as critical to the Company and to other members of its Capital Group, as specified by the Management Board of the Company. With regard to members of the Management Board, this determination will be made by the

Supervisory Board. Both procedures will be performed in accordance with a separate Terms and Conditions document conforming to this resolution, as well as with further decisions of the Management Board and Supervisory Board based on said Terms and Conditions document.

2. The offer to claim Subscription Warrants or acquire Own Shares will be submitted to Entitled Parties following attainment of eligibility criteria detailed in the Terms and Conditions document.
3. The Management Board is permitted to present the Entitled Parties with an offer to resell Series B Subscription Warrants acquired under the Incentive Program to the Company for redemption, either in part or in full (this offer is hereafter referred to as the Offer). Should the Management Board elect to do so, the purchase price for Series B Subscription Warrants included in the Offer will be calculated as the difference between the closing price of CD PROJEKT S.A. shares on the Warsaw Stock Exchange on the day preceding the issuance of the Offer and the issue price of Series M shares which the Entitled Party would have been eligible to acquire through exercise of rights incorporated by Subscription Warrants. Any Entitled Party wishing to take advantage of the Offer must submit to the Company, together with a filled-out warrant claim form, an irrevocable statement declaring their acceptance of the Offer as detailed in the Terms and Conditions document.

§ 6

1. The Management Board of the Company is hereby authorized to enact, with approval by the Supervisory Board, a set of specific terms and conditions (hereafter referred to as the Terms and Conditions document) detailing implementation of the Incentive Program. All provisions contained in the Terms and Conditions document must conform to this resolution.
2. As a minimum, the Terms and Conditions document must acknowledge the Subscription Warrant assignment criteria specified below. Additionally, the Terms and Conditions document shall specify the breakdown of assignable and redeemable Subscription Warrants or acquirable Own Shares with respect to the goals of the Motivation Program – specifically, not more than 20% of all Subscription Warrants or Own Shares shall be assigned on the basis of attainment of the Market Goal defined in Item (i) below, and not more than 80% of all Subscription Warrants or Own Shares will be assigned on the basis of attainment of the Result Goal defined in Items (ii) and (iii) below. The applicable assignment criteria are conditioned upon meeting the following goals:
 - i. with regard to all Entitled Parties – attainment of the Market Goal which stipulates that the price of CD PROJEKT S.A. shares on the Warsaw Stock Exchange must change in such a way that the percentage change in the CD PROJEKT S.A. share price, calculated on the basis of the closing price on the Result Goal assessment date (see below) which is set as the final session day of each year covered by the Incentive Program, and the closing price on 30 December 2015, must outperform the corresponding change in the WIG index by at least 100%. With respect to periods ending on 31 December 2016, 31 December 2017, 31 December 2018, 31 December 2019 and 31 December 2020, assessment of the attainment of the Market Goal will

follow confirmation of the attainment of the Result Goal as specified below. Should the Market Goal remain unmet on any of the above mentioned dates, final assessment shall be performed on the last session day of 2021. In this instance, should the Market Goal, defined as the relation between the change in CD PROJEKT S.A. share price throughout the period covered by the Incentive program (i.e. until 31 December 2021) and the corresponding change in the WIG index, be met to within 80-100%, each percentage point reflecting unrealized goals will result in a 2% decrease in the number of Subscription Warrants or Own Shares offered to Entitled Parties, compared with the number of Subscription Warrants or Own Shares which corresponds to full attainment of the Market Goal. Should the Market Goal be met to within less than 80% over the full period covered by the Incentive Program, it shall be deemed unmet.

- ii. with regard to Entitled Parties with influence on the results of the entire Capital Group in all of its activity segments – attainment of the Result Goal which is defined as a minimum level of consolidated Capital Group earnings per share from continuing operations calculated over three separate assessment periods:
 - a) for 2016-2019: not less than 6.513 PLN,
 - b) for 2016-2020: not less than 9.010 PLN,
 - c) for 2016-2021: not less than 11.508 PLN.

Should the Result Goal for 2016-2019 be met earlier than anticipated, e.g. in 2016 or in 2016-2017, or in 2016-2018, it shall be deemed met.

Should the Result Goal set for 2016-2019 and 2016-2020 be unmet while the Result Goal for 2016-2021 is met to within 80-100%, each percentage point reflecting unrealized goals will result in a 2% decrease in the number of Subscription Warrants or Own Shares offered to Entitled Parties, compared with the number of Subscription Warrants or Own Shares which corresponds to full attainment of the Result Goal.

- iii. with regard to Entitled Parties with influence on individual activity segments of the Capital Group – attainment of Result Goals set for each activity segment separately. These goals are to be specified in the Terms and Conditions document, acknowledging the general provisions and assessment periods specified in section (ii) above.
3. In addition, the Terms and Conditions of the Incentive Program shall include a loyalty criterion which is defined as employment or appointment by the Company or other members of its Capital Group, or the existence of any other legal contract regulating the delivery of goods or rendition of services in exchange for direct remuneration or other monetary benefits from the Company or other members of its Capital Group between the day of inclusion on the List of Entitled Parties and the day of confirmation of attainment of either the Result Goal or the Market Goal. Fulfillment of this loyalty criterion constitutes an additional requirement, in

addition to the requirements specified in section 2 above, in order for the Entitled Party to become eligible for acquisition of Subscription Warrants or Own Shares.

4. The Management Board and Supervisory Board of the Company are hereby empowered to undertake any other actions required to effect implementation of this resolution

§ 7

The resolution enters into force on the day of its adoption.

Management Board justification concerning Resolution no. 20:

The primary goal of the Incentive Program is to incentivize key employees and other persons regarded as having major influence on the results and growth prospects of the Company and its Capital Group. In the Management Board's opinion, the Incentive Program will help strengthen the bonds between such persons and the Company together with its subsidiaries, which should result in greater commitment to the success of these entities.

Empowering the Management Board to select the specific means of implementing the Incentive Program will help align the implementation mechanism with the Company's future financial standing and market conditions.

**Resolution no. 21
of 24 May 2016**

**of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw**

concerning issue of Series B subscription warrants with exclusion of pre-emption rights for existing shareholders entitling bearers to acquire Series M shares as a means of implementing the Incentive Program, and conditional increase in the Company's share capital via issue of Series M shares with exclusion of pre-emption rights for existing shareholders, as well as the corresponding changes in the Company Articles.

§ 1

W Pursuant to Art. 448 of the CCC the Company share capital is hereby conditionally increased by not more than 6,000,000 (six million) PLN by issuing not more than 6,000,000 (six million) Series M ordinary bearer shares with a nominal value of 1 (one) PLN each.

§ 2

The aim of this conditional increase in the Company share capital is to enable holders of Series B Subscription Warrants to acquire Series M shares.

§ 3

1. Under the condition that the Company Articles are amended as specified in §8 below, in line with Art. 453 §2 of the Commercial Company Code, in order to enable implementation of the Incentive Program instituted on the basis of Resolution no. 20 of the Ordinary General Meeting of Shareholders of 24 May 2016, between 1 (one) and 6,000,000 (six million) Series B Subscription Warrants incorporating the right to acquire Series M shares of the Company with exclusion of pre-emption rights for existing shareholders shall be issued.
2. Subscription Warrants are issued in a materialized form.
3. Each Subscription Warrant incorporates the right to acquire 1 (one) Series M share with exclusion of pre-emption rights for existing shareholders.
4. Subscription Warrants are issued free of charge.
5. Subscription Warrants are not transferrable, except to the Company for redemption. Subscription Warrants can be inherited.
6. The deadline for exercising rights incorporated by Series B Subscription Warrants is 31 October 2022.
7. The right to acquire Series M shares incorporated by Series B Subscription Warrants arises on the day the Subscription Warrants are assigned to the Entitled Parties.
8. Unexercised rights to acquire Series M shares incorporated by Subscription Warrants will expire on the day listed in Section 6 above.
9. The right to acquire Subscription Warrants appertains to persons regarded as critical to the Company and to other members of its Capital Group, as specified by the Management Board of the Company. With regard to members of the Management Board, this determination shall be made by the Supervisory Board. Both procedures shall be performed in accordance with Resolution no. 20 of the Ordinary General Meeting of Shareholders of 24 May 2016, a separate Terms and Conditions document conforming to this resolution, as well as further decisions of the Management Board and Supervisory Board based on said Terms and Conditions document.
10. The offer to claim Subscription Warrants or acquire Own Shares will be submitted to Entitled Parties following attainment of eligibility criteria detailed in the Terms and Conditions document, in accordance with the provisions of Resolution no. 20 of the Ordinary General Meeting of 24 May 2016 concerning institution of the Incentive Program.

§4

No pre-emption rights are offered to existing shareholders of the Company with regard to Subscription Warrants and Series M shares. In the shareholders' opinion this exclusion is economically justified and in the best interests of the Company and its shareholders, as detailed in the relevant opinion of the Management Board attached to this resolution (see Annex 1).

§ 5

1. The right to acquire Series M shares appertains to holders of Series B Subscription Warrants.
2. Series M shares will be assigned once the corresponding payment has been remitted by the Entitled Party.

Piotr Nowakowski 5.2.2014 15:53

Komentarz [1]: W tym dokumencie nie ma "załącznika nr 1" – może to jakoś inaczej wyrazić?

3. Series M shares will be assigned at their issue price, which is defined as the average closing price of Company stock on the Warsaw Stock Exchange calculated over the period of 60 consecutive trading days immediately preceding the publication of this resolution in draft form, i.e. 27 April 2016, discounted by 5%. Consequently, the issue price is set at [] PLN per share.

§ 6

1. Series M shares will qualify for dividends in a given fiscal year under the following conditions:
 - 1) If Series M shares are acquired by the Entitled Party between the beginning of the fiscal year and the dividend date (in the sense of Art. 348 § 2 of the CCC) inclusive, these shares will participate in profits starting on the first day of the fiscal year preceding their year of issue.
 - 2) If Series M shares are acquired by the Entitled Party after the dividend date (in the sense of Art. 348 § 2 of the CCC), these shares will participate in profits starting on the first day of the fiscal year in which they were issued.
2. Given the fact that Series M shares will be subject to dematerialization, "acquisition of shares" should be understood in this context as deposition of Series M shares on the securities account belonging to the Entitled Party.

§ 7

1. It is hereby decided that the Company will seek approval to formally list Series M shares on the regulated market of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) and to dematerialize Series M shares.
2. The Management Board of the Company is hereby empowered to:
 - a. perform any factual and legal actions required to obtain approval to list Series M shares on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.)
 - b. conclude a deposit agreement with the National Securities Deposit (Krajowy Depozyt Papierów Wartościowych S.A.) pursuant to section 1 above and in accordance with the provisions of Art. 5 of the Securities Act (Journal of Laws No. 183, item 1538)
3. The Supervisory Board and the Management Board of the Company are hereby authorized to enact specific provisions governing the issue of Series M shares, including, as a minimum, the acquisition offer concerning Series M shares, subscription rules for Series M shares and rules regarding assignment and acquisition of Series M shares by each group of Entitled Parties. The Supervisory Board and the Management Board of the Company are further authorized to perform any other actions required in order to implement this resolution.

§ 8

§ 8 of the Company Articles is given the following form:

„1. The conditional share capital of the Company shall not exceed 7,900,000 (seven million nine hundred thousand) PLN, divided into not more than 1,900,000 (one million nine hundred thousand) Series L ordinary bearer shares with a nominal value of 1 (one) PLN each and not more than 6,000,000 (six million) Series M ordinary bearer shares with a nominal value of 1 (one) PLN each. The aim of this conditional increase in the Company share capital is to enable acquisition of Series L shares by holders of Subscription Warrants issued by the Company under resolution No. 3 of the Extraordinary General Meeting of Shareholders of 16 December 2011 and acquisition of Series M shares by holders of Subscription Warrants issued by the Company under resolution No. 21 of the Extraordinary General Meeting of Shareholders of 24 May 2016.

2. The right to acquire Series L shares appertains to holders of Series A Subscription Warrants issued by the Company. The right to acquire Series L shares may be exercised not later than on 30 November 2016.

3. The right to acquire Series M shares appertains to holders of Series B Subscription Warrants issued by the Company. The right to acquire Series M shares may be exercised not later than on 31 October 2022.”

§ 9

The Supervisory Board is hereby authorized to collate the unified text of the Company Articles acknowledging the amendment introduced in §8 of this resolution

§ 10

The resolution enters into force on the date of its enactment, with the exception of the amendment to the Company Articles regarding conditional increase in the Company share capital, as set forth in §8. This amendment will become legally binding on the date of registration of the amended Company Articles by the appropriate court of registration.

Management Board justification concerning resolution no. 21:

In order to facilitate implementation of the Incentive Program described in resolution no. 20 of the Ordinary General Meeting of 24 May 2016 concerning institution of the Incentive Program, the Management Board recommends that the General Meeting adopt a separate resolution concerning issue of subscription warrants which can be claimed free of charge by the Entitled Parties with exclusion of pre-emption rights for existing shareholders, along with the corresponding conditional increase in the Company share capital.

The conditional increase in the Company Share capital is required in order to enable holders of Series B Subscription Warrants to claim Series M shares. Series B Subscription Warrants will be issued in the course of implementation of the Incentive Program approved by the General Meeting.

The exclusion of pre-emption rights for existing shareholders with regard to Series B Subscription Warrants and Series M shares is in the best interest of the Company and does not infringe upon the rights of its current shareholders.

The Management Board recommends that Series B Subscription Warrants be issued free of charge.

The Management Board recommends that the issue price of Series M shares be equal to the average closing price of Company Shares on the Warsaw Stock Exchange over a period of 90 session days preceding the publication of the draft resolution submitted to the Ordinary General Meeting on 24 May 2016 concerning institution of the Incentive Program, discounted by 5%.

Resolution no. 22
of 24 May 2016
of the Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning approval of buyback of Company shares for redemption

W Pursuant to Art. 359 § 1 and Art. 362 § 1 item 5 of the Commercial Company Code, § 9 of the Company Articles, and Commission Regulation (EC) No 2273/2003 of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buyback programs and stabilization of financial instruments (OJ L 336/33), the following is hereby decided:

§ 1

The Management Board of the Company is hereby empowered to purchase the Company's own shares (hereafter referred to as Own Shares) for redemption under the following share buyback program (hereafter referred to as the Buyback Program):

1. The total amount allocated towards the purchase of Own Shares, including all expenses related to the purchase, shall not exceed 250,000,000 (two hundred and fifty million) PLN.
2. Own Shares may be purchased on the regulated market of the Warsaw Stock Exchange through individual transactions, block trades and public calls, as well as outside of the regulated market through brokerage houses, pursuant to Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buyback programs and stabilization of financial instruments (OJ L 336/33).
3. With exception of purchases carried out through public calls, Own Shares must be purchased at a price not higher than the price of the last independent trade and the highest current independent bid placed on the Warsaw Stock Exchange. The Management Board is empowered, prior to the commencement of the Buyback Program, to determine the maximum compensation due to shareholders in association with the purchase of Own Shares by the Company.
4. Own Shares will be paid for solely with funds, which, according to Art. 348 § 1 of Commercial Companies Code, may be intended for division.
5. The Management Board of the Company is empowered, prior to the commencement of the Buyback Program, to determine the maximum number of Own Shares to be purchased.
6. The empowerment of the Management Board to purchase Own Shares is valid from the day this resolution is adopted until such time as the funds allocated to the

Buyback Program are exhausted. The Management Board is hereby empowered to determine the date of commencement and termination of the Buyback Program.

7. The Management Board is hereby empowered to perform any factual and legal actions required to carry out the Buyback Program as specified by Art. 362 § 1 item 5 of the Commercial Company Code and this resolution. This includes specifying the means of purchasing Own Shares, the per-share purchase price and the quantity of Own Shares to be purchased. All such actions must be consistent with the contents of this resolution.
8. The Management Board is hereby empowered to establish additional conditions related to the Buyback Program in matters not regulated by this resolution. This includes determining the sources of funds which are to be allocated towards purchases and redemption of Own Shares under this resolution.
9. The Management Board may, at any point, forgo implementation of the Buyback Program.
10. The Management Board shall provide full, detailed disclosures related to the Buyback Program as mandated by Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buyback programs and stabilization of financial instruments (OJ L 336/33).

§ 2

1. Own Shares shall be redeemed by reduction in the Company share capital, pursuant to Art. 359 of the Commercial Company Code and § 9 of the Company Articles.
2. In order to facilitate redemption of Own Shares, immediately upon the purchase of Own Shares for redemption the Management Board shall convene an Extraordinary General Meeting of Shareholders whose agenda must, as a minimum, include approval of a resolution concerning redemption of Own Shares and the corresponding reduction in the Company share capital.

§3

The resolution enters into force on the day of its adoption.

Management Board justification concerning resolution no. 22:

Allocating the Company's net profit towards buyback of Own Shares for redemption is regarded as a favorable means of distributing the available profit, while also streamlining the Company's capital structure.

In the Management Board's opinion, the conditions governing the Buyback Program set forth in this resolution are in the best interest of Company shareholders. The Management Board further believes that carrying out the Buyback Program under the conditions specified above will ultimately strengthen the Company's stock price on the Warsaw Stock Exchange or, alternatively, mitigate stock price decreases in the event of a market downturn.

Documentation submitted for perusal by the Ordinary General Meeting of Shareholders of CD PROJEKT S.A. scheduled for 24 May 2016

On 10 March 2016 the Company published its annual financial statement, which included, among others, the following items:

- Management Board report on Company activities in 2015;
- Company financial statement for 31 December 2015;
- Audit report concerning the Company financial statement for 2015;
- Consolidated Financial Statement of the CD PROJEKT Capital Group for 31 December 2015;
- Report on CD PROJEKT Capital Group activities in 2015;
- Audit report concerning the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2015.

This documentation has been published on www.cdprojekt.com and is also available at the Company headquarters.

Supervisory Board resolutions and reports submitted to the General Meeting:

Documentation submitted for perusal by the Ordinary General Meeting of Shareholders of CD PROJEKT S.A. scheduled for 24 May 2016

On 10 March 2016 the Company published its annual financial statement, which included, among others, the following items:

- Management Board report on Company activities in 2015;
- Company financial statement for 31 December 2015;
- Audit report concerning the Company financial statement for 2015;
- Consolidated Financial Statement of the CD PROJEKT Capital Group for 31 December 2015;
- Report on CD PROJEKT Capital Group activities in 2015;
- Audit report concerning the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2015.

This documentation has been published on www.cdprojekt.com and is also available at the Company headquarters.

Draft resolutions and Supervisory Board reports submitted to the Ordinary General Meeting:

**Resolution no. 1
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning approval of the Management Board report on Company activities, Company financial statement for 2015, Management Board recommendation concerning allocation of net profit for 2015 and submission to the General Meeting of the Supervisory Board report concerning the Management Board report on Company activities, Company financial statement for 2015 and Management Board recommendation concerning allocation of net profit for 2015

Acting in compliance with Art. 382 § 3 of the Commercial Company Code, the Supervisory Board hereby declares the following:

§ 1

1. Following analysis of the Company financial statement and the Management Board report on Company activities in 2015, and of their corresponding audit reports, the Supervisory Board has determined that the Company financial statement and the Management Board report on Company activities in 2015 are materially consistent with Company accounts, as well as being factually correct.
2. The Supervisory Board submits the Company financial statement and the Management Board report on Company activities in 2015 to the General Meeting and recommends their approval.
3. Following analysis of the Financial Statement, the Management Board report on Company activities in 2015 and the Management Board recommendation concerning allocation of net profit, conveyed in the CD PROJEKT S.A. Management Board resolution no. 6/2016 of 10 March 2016, and acting in compliance with the CD PROJEKT S.A. Management Board resolution no. 8/2016 of 25 April 2016 concerning approval and submission to the General Meeting of the financial statement of CD PROJEKT S.A. for 2015 along with the corresponding audit report, the Supervisory Board recommends that the net profit for 2015 in the amount of 336,200,229.96 PLN be partly allocated towards coverage of losses incurred in the preceding years, with the remainder allocated towards reserve capital.
4. The Supervisory Board hereby submits to the General Meeting its report concerning the outcome of assessment of the Management Board report on Company activities, Company financial statement for 2015 and Management Board recommendation concerning allocation of net profit for 2015, which is attached to this resolution.

§ 2

The resolution enters into force on the date of its adoption.

CD PROJEKT S.A. Supervisory Board report concerning the outcome of assessment of the Management Board report on Company activities, Company financial statement for 2015 and Management Board recommendation concerning allocation of net profit for 2015

Piotr Nowakowski 27.4.2016 16:48

Komentarz [2]: W oryginale – „tys. PLN” – raczej błęd.

I. Assessment of the CD PROJEKT S.A. financial statement for the period between 1 January and 31 December 2015

In the course of discharging its statutory duties, on 28 May 2015 the Supervisory Board adopted resolution no. 11, selecting PKF Consult Sp. z o.o. as the entity charged with auditing the Company financial statement and Management Board report on Company activities for the period between 1 January 2015 and 31 December 2015.

The object of the audit was the financial statement for the period between 1 January 2015 and 31 December 2015, prepared on 10 March 2016.

The Management Board communicated the outcome of the audit to the Supervisory Board and provided a copy of the audit report prepared by the aforementioned licensed auditor.

With regard to the Company financial statement, on 10 March 2016 the licensed auditor issued an opinion declaring that the financial statement, which comprises numerical data and textual explanations:

- faithfully conveys all information important from the point of view of assessing the Company's material and financial standing, as well as its financial result for the period covered by the financial statement,
- was prepared, in all key respects, in a manner consistent with the guidelines mentioned in the audit report and on the basis of valid accounts and records,
- complies with all applicable legal regulations and provisions contained in the Company Articles.

The presented outcome formed the basis of the Supervisory Board assessment of the Company financial statement for 2015.

Following assessment of the Company financial statement for 2015, the Supervisory Board hereby declares that the financial statement is materially consistent with the Company accounts and records, as well as being factually correct.

II. Assessment of the CD PROJEKT Management Board report on Company activities for the period between 1 January and 31 December 2015

With regard to the Management Board report for the period between 1 January and 31 December 2015, the Supervisory Board also availed itself of the reports and opinions supplied by the licensed auditor mentioned in section I above. The Supervisory Board concurs with the auditor's opinion, formally expressed in the audit report of 10 March 2016, that the Management Board report materially conforms to Art. 49 section 2 of the Accounting Act and the Finance Minister's directive of 19 February 2011 concerning publication of current and periodic information by issuers of securities, and that the financial data contained in the Management Board report is consistent with the Company financial statement.

III. Assessment of the CD PROJEKT Management Board recommendation concerning allocation of net profit for 2015

Following analysis of the Company financial statement, Management Board report on Company Activities in 2015 and Management Board recommendation concerning allocation of net profit, conveyed in the CD PROJEKT S.A. Management Board resolution no. 6/2016 of 10 March 2016, and acting in compliance with the CD PROJEKT S.A. Management Board resolution no. 8/2016 of 25 April 2016 concerning approval and submission to the General Meeting of the financial statement of CD PROJEKT S.A. for 2015 along with the corresponding audit report, the Supervisory Board recommends that the net profit for 2015 in the amount of 336,200,229.96 PLN be partly allocated towards coverage of losses incurred in the preceding years, with the remainder allocated towards reserve capital.

Piotr Nowakowski 27.4.2016 20:47

Komentarz [3]: W oryginale – „tys. zł.”!

Resolution no. 2
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016
concerning approval of the Report on Capital Group activities, Consolidated Financial Statement for 2015, and submission to the General Meeting of the Supervisory Board report concerning the Report on Capital Group activities and the Consolidated Financial Statement for 2015

Acting in compliance with Art. 382 § 3 of the Commercial Company Code, the Supervisory Board hereby declares the following:

§ 1

1. Following analysis of the Consolidated Financial Statement and the Report on Capital Group activities in 2015, and of their corresponding audit reports, the Supervisory Board has determined that the Consolidated Financial Statement and the Report on capital Group activities in 2015 are materially consistent with Capital Group accounts, as well as being factually correct.
2. The Supervisory Board submits the Consolidated Financial Statement of the Capital Group and the Report on Capital Group activities in 2015 to the General Meeting and recommends their approval.
3. The Supervisory Board hereby submits to the General Meeting its report concerning the outcome of assessment of the Report on Capital Group activities and the Consolidated Financial Statement of the Capital Group for 2015, which is attached to this resolution.

Piotr Nowakowski 28.4.2016 11:21

Komentarz [4]: W oryginale: „spółki”.

§ 2

The resolution enters into force on the date of its adoption.

CD PROJEKT S.A. Supervisory Board report concerning the outcome of assessment of the Report on Capital Group activities and Consolidated Financial Statement for 2015

In the course of discharging its statutory duties, on 28 May 2015 the Supervisory Board adopted resolution no. 11, selecting PKF Consult Sp. z o.o. as the entity charged with auditing the Consolidated Financial Statement of the Capital Group and the Report on Capital Group activities for the period between 1 January 2015 and 31 December 2015. The object of the audit was the consolidated financial statement for the period between 1 January 2015 and 31 December 2015, prepared on 10 March 2016.

The Management Board communicated the outcome of the audit to the Supervisory Board and provided a copy of the audit report prepared by the aforementioned licensed auditor.

With regard to the consolidated financial statement, on 10 March 2016 the licensed auditor issued an opinion, declaring that the financial statement, which comprises numerical data and textual explanations:

- faithfully conveys all information important from the point of view of assessing the material and financial standing of the Capital Group, as well as its financial result for the period covered by the financial statement,
- was prepared, in all key respects, in a manner consistent with the guidelines mentioned in the audit report and on the basis of valid accounts and records,
- complies with all legal regulations and provisions applicable to the Capital Group.

The presented outcome formed the basis of the Supervisory Board assessment of the Consolidated Financial Statement for 2015.

Following assessment of the Consolidated Financial Statement for 2015, the Supervisory Board hereby declares that the financial statement is materially consistent with the accounts and records of the Capital Group, as well as being factually correct.

With regard to the Report on Capital Group activities for the period between 1 January and 31 December 2015, the Supervisory Board also availed itself of the reports and opinions supplied by the licensed auditor mentioned in section I above. The Supervisory Board concurs with the auditor's opinion, formally expressed in the audit report of 10 March 2016, that the analyzed report materially conforms to Art. 49 section 2 of the Accounting Act and the Finance Minister's directive of 19 February 2011 concerning publication of current and periodic information by issuers of securities, and that the financial data contained in the analyzed report is consistent with the Consolidated Financial Statement of the Capital Group.

**Resolution no. 3
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning submission to the General Meeting of a recommendation for a vote of acceptance to the President of the Management Board, Mr. Adam Kiciński, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

Piotr Nowakowski 28.4.2016 11:30

Komentarz [5]: To chyba kalka z poprzedniej uchwały – ale w tej uchwale nie ma „punktu I”.
Może po prostu „(...) mentioned above”?

§ 1

Having assessed the performance of duties by Mr. Adam Kiciński, President of the Management Board, the Supervisory Board submits to the General Meeting a recommendation for a vote of acceptance to Mr. Adam Kiciński on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

**Resolution no. 4
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning submission to the General Meeting of a recommendation for a vote of acceptance to the Vice President of the Management Board, Mr. Marcin Iwiński, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

§ 1

Having assessed the performance of duties by Mr. Marcin Iwiński, Vice President of the Management Board, the Supervisory Board submits to the General Meeting a recommendation for a vote of acceptance to Mr. Marcin Iwiński on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

**Resolution no. 5
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning submission to the General Meeting of a recommendation for a vote of acceptance to the Vice President of the Management Board, Mr. Piotr Nielubowicz, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

§ 1

Having assessed the performance of duties by Mr. Piotr Nielubowicz, Vice President of the Management Board, the Supervisory Board submits to the General Meeting a

recommendation for a vote of acceptance to Mr. Piotr Nielubowicz on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

**Resolution no. 6
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning submission to the General Meeting of a recommendation for a vote of acceptance to Mr. Adam Badowski, Member of the Management Board, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

§ 1

Having assessed the performance of duties by Mr. Adam Badowski, Member of the Management Board, the Supervisory Board submits to the General Meeting a recommendation for a vote of acceptance to Mr. Adam Badowski on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

**Resolution no. 7
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016**

concerning submission to the General Meeting of a recommendation for a vote of acceptance to Mr. Michał Nowakowski, Member of the Management Board, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

§ 1

Having assessed the performance of duties by Mr. Michał Nowakowski, Member of the Management Board, the Supervisory Board submits to the General Meeting a recommendation for a vote of acceptance to Mr. Michał Nowakowski on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

Resolution no. 8
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016
concerning submission to the General Meeting of a recommendation for a vote of acceptance to Mr. Piotr Karwowski, Member of the Management Board, on account of the performance of his duties in the 2015 fiscal year

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the Supervisory Board hereby decides the following:

§ 1

Having assessed the performance of duties by Mr. Piotr Karwowski, Member of the Management Board, the Supervisory Board submits to the General Meeting a recommendation for a vote of acceptance to Mr. Piotr Karwowski on account of the performance of his duties in the 2015 fiscal year.

§ 2

The resolution enters into force on the date of its adoption.

Resolution no. 9
of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016
concerning approval and submission to the General Meeting of the report on Supervisory Board activities in 2015, including an assessment of the execution of duties by the Supervisory Board and an assessment of Company status, including its internal control systems, risk management strategies, internal audit policies and fulfillment of statutory disclosure obligations

Pursuant to § 14 section 2 of the Company Articles and to Rule II section 10 of the Code of Best Practices for WSE Listed Companies the following is hereby decided:

§ 1

1. The Supervisory Board hereby approves the report on Supervisory Board activities in 2015, including an assessment of the execution of duties by the Supervisory Board and an assessment of Company status, including its internal control systems, risk management strategies, internal audit policies and fulfillment of statutory disclosure obligations. The contents of this report are attached to this resolution.
2. The Supervisory Board submits the Report on CD PROJEKT S.A. Supervisory Board activities in 2015 to the General Meeting with a recommendation for its approval.

§ 2

The resolution enters into force on the date of its adoption.

Piotr Nowakowski 28.4.2016 11:43

Komentarz [6]: W oryginale: „z uwzględnieniem z uwzględnieniem”.

Piotr Nowakowski 28.4.2016 11:45

Komentarz [7]: jw.

CD PROJEKT S.A. Supervisory Board Report

concerning activities in the fiscal year 2015, along with an assessment of Supervisory Board actions and a summary assessment of Company status, its internal control system and risk mitigation strategies

Piotr Nowakowski 28.4.2016 11:46

Komentarz [8]: Stara nazwa raportu (tak w oryginale) – chyba trzeba zaktualizować zgodnie z treścią powyższej uchwały.

1. Supervisory Board composition throughout the reporting period in 2015

During 2014 the following people performed duties as members of the Supervisory Board:

Between 1 January and 7 May 2015:

- Katarzyna Szwarc – Chairwoman of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Cezary Iwański – Deputy Chairman of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Maciej Majewski – Secretary of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Grzegorz Kujawski – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Piotr Pągowski – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria

Between 7 May and 28 May 2015:

- Katarzyna Szwarc – Chairwoman of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Maciej Majewski – Secretary of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Grzegorz Kujawski – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Piotr Pągowski – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria

Between 28 May and 31 December 2015

- Katarzyna Szwarc – Chairwoman of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Piotr Pągowski – Deputy Chairman of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Maciej Majewski – Secretary of the Supervisory Board; Supervisory Board Member meeting independence criteria
- Grzegorz Kujawski – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria

- Krzysztof Kilian – Member of the Supervisory Board; Supervisory Board Member meeting independence criteria

2. Scope of Supervisory Board activities in the reporting period:

In discharging its legal and statutory duties the Supervisory Board maintained ongoing oversight of all matters affecting the Company throughout 2015.

In particular, the Supervisory Board assessed the plans of the Management Board concerning business strategies implemented by the Company and the Capital Group, as well as day-to-day activities of the Company and its financial condition.

Throughout 2015 the Supervisory Board faithfully discharged all duties to which a supervisory board of a public company is unconditionally obligated by law, the Company Articles and Supervisory Board regulations.

In 2015 the Supervisory Board held four sessions. The Supervisory Board also executed its duties by adopting resolutions by circulation.

As part of its prerogatives, throughout 2015 the Supervisory Board applied a substantial portion of the Code of Best Practices for WSE Listed Companies insofar as these practices apply to supervisory boards of public companies.

As the Supervisory Board comprises five members, the duties of the Audit Committee specified in the Act of 7 May 2011 regulating the activities of licensed auditors, their self-government, entities charged with auditing financial statements and public oversight were discharged by the full Board.

In the Supervisory Board's opinion its current composition is sufficient to ensure performance of all duties to which a supervisory board of a public company is legally obligated.

Throughout 2015 the control and oversight duties of the Supervisory Board of CD PROJEKT S.A. were discharged faithfully and with due diligence. The Supervisory Board closely monitored all affairs substantially affecting the Company while the Management Board supplied timely reports on the Company's legal status and each of its activity segments.

In discharging its control and oversight duties the Supervisory Board relied on written reports submitted by the Management Board and on clarifications provided by Management Board members attending Supervisory Board meetings. As a rule, Supervisory board meetings were attended by members of the Management Board with the exception of matters related to the performance of the Management Board and its individual members. A significant portion of Supervisory Board activities was performed with the use of remote communication tools, enabling better oversight of current Company affairs.

3. Summary assessment of Company status, its internal control system and risk mitigation strategies

Based on Company and Capital Group financial statements for 2015, the Management Board report on the internal control system and risk mitigation strategies for 2015 of 25 April 2016, as well as additional information obtained from the Management Board the Supervisory Board declares that the Company has successfully attained the goals set by the Management Board with regard to operations of individual members of the CD PROJEKT S.A. Capital Group. The long-term goal of CD PROJEKT S.A. is to foster the development of a global digital entertainment conglomerate. Accordingly, the Group focuses on the following activity segments:

- Videogame development;
- Global digital videogame distribution;
- Other activities.

In the opinion of the Supervisory Board the Capital Group's structure has been optimized in such a way as to enable further dynamic growth in each of its activity segments. The Company's condition is stable and ongoing development work is regarded as likely to result in further commercial successes on a global scale. Following assessment of the Company's condition in 2015 as well as key risk factors affecting the Company, the Supervisory Board perceives no substantial threat which could jeopardize the continuation of Company activities.

Throughout 2015 the Company conducted its business in a manner consistent with legal regulations applicable to public companies, including corporate governance law. In the Supervisory Board's opinion, the Company met its disclosure obligations relating to compliance with corporate governance law.

The Management Board of the Company is responsible for its internal control and risk mitigation systems and for periodic assessment of risk factors which may affect the Company during the given fiscal year.

The Management Board of the Company is responsible for the effective operation of its internal control system in preparing the Company's financial statements. It is also responsible for ensuring the correctness of said statements, as well as of its own periodic reports. To this end, the Management Board is tasked with supervising the preparation of any legally required documents. Financial data reported in these documents is derived from the Company's accounting system which operates in accordance with the International Accounting Standards.

Internal Control Systems

Throughout 2015 the accounts and ledgers of CD PROJEKT S.A. (further referred to as "the Company") were managed by the Company's internal accounting department. This department also provided paid accounting services to Company subsidiaries – GOG Poland sp. z o.o., Brand Projekt sp. z o.o. and CD PROJEKT Brands S.A. – and provided HR and payroll services to CDP.pl sp. z o.o., GOG Poland sp. z o.o., Brand

Projekt sp. z o.o. and CD PROJEKT Brands S.A. The accounts and ledgers of GOG Ltd. – a foreign subsidiary – were managed by EKAVI LIMITED, while the accounts and ledgers of CD PROJEKT Inc. were managed by Armanino LLP.

In 2015 the core ERP systems used to manage the accounts of CD PROJEKT S.A. and GOG Poland sp. z o.o. included IFS Applications, deployed on 1 January 2015, and Workflow Plus, deployed later on in 2015.

IFS Applications (Sweden) is among the world's foremost ERP solutions, covering all fundamental aspects of commercial activity: finances, accounting, HR, payroll, production, distribution, inventory management and project management. Deployment of IFS Applications at the CD PROJEKT Capital Group ensures better cohesiveness, reliability and accuracy of data required by the Company's executive staff. This task coincides with further optimization of the Group's business processes.

Workflow Plus (Poland) is a document digitization system which streamlines the document flow at commercial enterprises. CD PROJEKT S.A. makes use of its invoicing, incoming/outgoing mail registration and contract management components. The goal is to institute a fully electronic document flow augmented by a digital archive. Paper documents are superseded by electronic ones whenever possible, enhancing management, improving control and enabling financial data to be fed into ERP workflows without undue delays.

Throughout 2015 the Company also prepared the groundwork for deployment of Tagetik (Italy) – one of the most advanced CPM (Corporate Performance Management) systems available on the market. The purpose of CPM systems is to support the corporate decisionmaking process. The Company has decided to deploy the following Tagetik modules: Budgeting, Financial Consolidation, Liquidity Management, Reporting and Managerial Analyses. This deployment should provide the Company's executive staff with easier and faster access to accurate financial data, enabling them to make correct business decisions.

The separate and consolidated financial statements of CD PROJEKT S.A. are subject to review by an independent auditor in accordance with the applicable legal regulations.

In 2015 the accounts of the Company's minor domestic subsidiaries (Brand Projekt sp. z o.o. and CD PROJEKT Brands S.A.) were managed with the use of IT tools previously applied on the Capital Group level, namely Symfonia Forte. Starting on 1 January 2016 IFS Applications was deployed at CD PROJEKT Brands S.A., while Brand Projekt sp. z o.o. was subsumed into CD PROJEKT S.A. as a result of a merger.

From the financial perspective the internal control system relies on monthly assessment of financial results in relation to previous estimates published by each subsidiary of the Capital Group. In justified cases subsidiaries may prepare alternative estimates:

- “conservative” estimate – used to determine the safety thresholds for cash provisions and access to financing sources,

- “target” estimate – submitted to directors of each subsidiary as a business target with ambitious criteria which can only be achieved under favorable circumstances.

In accordance with the reporting and assessment policy in force at the Company the Management Board of CD PROJEKT S.A. performs monthly reviews of financial results and compares them with previous estimates. Top managers in charge of individual subsidiaries/activity segments of the Capital Group participate in this process. Review meetings also address important events and circumstances affecting each member of the Group as well as the outlook for attaining business goals in subsequent months.

In between monthly review meetings the Management Board of CD PROJEKT S.A. liaises with the managers of each of its subsidiaries and participates in developing joint business strategies.

Liquidity planning within the Capital Group is performed on a monthly basis and the plans themselves are subdivided into weekly periods. This procedure facilitates optimization of financial management via cash pooling agreements involving banks which provide services to Group members.

Each payment within the Capital Group is remitted on the basis of a properly filed accounting document. An accounting document may only be filed if it is valid in all respects and has been approved by a party authorized to approve such documents. The person who files an accounting document is also responsible for ensuring its validity. Day-to-day payments are processed by the financial department in collaboration with the accounting department. Any exceptions to this rule require Management Board approval.

All subsidiaries of CD PROJEKT S.A. are entitled to consult with experts working for the parent company under the corporate and legal oversight policy implemented by the Capital Group.

Risk factors affecting the Group’s operations, with mitigation strategies

Risk factors specific to the Group’s activity profile

Risks associated with customers

In the scope of the videogame development activity segment the pool of customers consists of distributors and publishers who purchase licenses to publish and distribute Company products. Efficient cooperation with customers is dependent on a number of factors, including the appeal of the product, customers’ own publishing plans, customers’ preferences in specific countries and the financial terms offered by each customer. CD PROJEKT S.A. makes every effort to ensure high quality of its products, rendering them more desirable and attractive to final customers and increasing licensee and distributor retention. Additionally, in order to minimize credit

risk, the Company seeks out business partners who hold a dominant position on each key market and whose own financial standing is regarded as stable. In certain cases, the Company collect advance payments for its products.

In the scope of products and services offered by the Group the final customers are natural persons with access to the retail market. Demand for products and services may fluctuate depending on market trends or sudden changes in perception among key demographics. Internet discussion forums and other social media provide customers with the ability to easily communicate with one another and influence one another's opinions. Unforeseen changes in perception among final customers and trendsetters are beyond the Group's control. Group members strive to maintain open channels of communication with final customers. In line with the Group's mission statement, the Company and its subsidiaries emphasize open, honest and diligent communications as a foundation for mutual trust and long-term customer relations.

Risk of losing key suppliers

In the videogame development segment CD PROJEKT S.A. relies on external suppliers for certain components required in the development of games, such as physics systems, audio libraries and other specialized software. Given that a wide range of commercial development tools is available the Company actively monitors the market and may take steps to replace selected components or tools used in the production process, should such changes become necessary.

The operations of GOG Ltd. depend on cooperation with developers, producers and publishers who supply final products and with whom publishing, distribution and retail sale agreements are negotiated. The company mitigates the risk of losing suppliers by maintaining good trade relations and by working to diversify its supply chains and attract new suppliers.

Risk of incorrectly estimating demand and future sales

Developing, publishing and distributing products, whether proprietary or licensed, requires that their sales volume be estimated before the given product is released. In practice, individual products differ greatly with respect to their revenue generation potential. Group members draw upon their experience to determine the commercial potential of each product they release; however the risk of incorrectly estimating demand and sales volume cannot be entirely eliminated.

Risk of delays in videogame development

Postponed releases are a commonplace occurrence in the videogame industry. Developing games is a highly complex and costly activity, based – to a large extent – on creative effort. This raises the likelihood of incorrect estimation of the required workload, delays due to technical issues in the programming layer (e.g. failure to meet quality assurance criteria or technical glitches), or problems caused by insufficient funding.

With regard to products purchased by GOG Ltd. Group members have no control over delays arising on the supplier side. With regard to development of proprietary

products by CD PROJEKT S.A. the company actively manages its development schedule in order to minimize the likelihood of delays.

Risks associated with development of games for “closed” platforms

Development of games for “closed” hardware platforms, such as gaming consoles or iOS devices, requires direct cooperation with the proprietors of each platform. Before a game can be released on the open market it must first undergo certification. Termination of cooperation between the developer and the platform proprietor is a significant risk, as are delays in the certification process or denial of certification. Each of those events may adversely impact the revenue stream for a given game. CD PROJEKT S.A. devotes substantial effort to meeting its contractual obligations due to platform proprietors and consistently prioritizes the quality of its videogames.

Risks associated with employee retention

Losing key employees may significantly impact the operations and financial status of the Capital Group. The activities of Group members and their growth outlook are greatly dependent on the skill, experience and knowledge of key Management Board members, middle managers, employees and collaborators. Group members offer competitive employment conditions and benefits to their employees. In 2012 the Capital Group instituted a long-term incentive program through which persons regarded as crucial for the Capital Group and its individual members may be rewarded with Company stock options.

Risk of insolvency and credit risk

The Group compares its results to annual plans which include liquidity goals. Such evaluation is performed on a monthly basis and subdivided into weekly cycles.

In order to minimize the risk of customer insolvency the Company performs ongoing monitoring of the collection of receivables. Debt collection is subcontracted to specialized third parties. The Group identifies key customers whose total share in the Group’s revenue stream exceeds 10%.

The Group actively manages its liquid assets and monitors its debt in relation to the Group’s equity and financial results, both current and anticipated.

As of the publication date of this report CD PROJEKT does not have any outstanding liabilities under credit or loan agreements, and has set aside provisions in cash. Cash management on the level of the Group is performed in such a way that excess cash in one subsidiary may be loaned to other subsidiaries or invested in low-risk financial instruments deposited at banks with which the Group cooperates. The Group relies on this mechanism to perform day-to-day management of its liquid assets, ensure sufficient liquidity, meet any liabilities arising from its ordinary activities and permit unhindered continuation of videogame development projects.

Risks associated with credit agreements and interest rate risks

In order to carry out ordinary activities Group member companies may, in the future, require access to sources of financing, including credit agreements, third-party loans, lease agreements or bonds. In 2015 no member of the Group had any outstanding liabilities due to bank credit agreements, third-party loans or bond issues. Several lease

agreements concerning passenger cars are in force at the Group, however their aggregate value is far lower than the Group's cash holdings. Since surplus cash is primarily invested in bank deposits, reductions in interest rates may negatively affect the Group's financial revenue stream.

Risks associated with sureties

The credit and cash-pooling agreements as well as selected trade agreements concluded within the CD PROJEKT Capital Group may involve CD PROJEKT S.A., GOG Ltd., GOG Poland sp. z o.o., cdp.pl sp. z o.o., Brand Projekt sp. z o.o. (until 31 December 2015), CD PROJEKT Brands S.A. and CD PROJEKT Inc. acting as guarantors. These provisions may potentially compel each guarantor to cover the liabilities of other parties to whom guarantees have been contractually provided. Detailed information regarding sureties and guarantees pledged by members of the CD PROJEKT Capital Group can be found in the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2015, in the section titled "Conditional liabilities".

Risks associated with market consolidation trends

There is a notable global tendency for developers and publishers of videogames to consolidate. These trends may ultimately strengthen the market position of several global suppliers, publishers and distributors. Consolidation trends may cause the Company to lose key suppliers due to decisions imposed by the acquiree, or reduce the number of publishers/distributors who carry Company products.

The Group mitigates this risk by implementing an active publishing policy and maintaining good relations with its business partners. Additionally, Group members work to diversify their suppliers and sales channels.

Risks associated with illegal distribution of CD PROJEKT Capital Group products

Group revenues are negatively affected by the actions of parties who distribute its products – either directly or over the Internet – without the owner's consent, thus violating intellectual property laws. Group members have no direct control over the scale of such illegal distribution. Insofar as it is possible, Group members try to attract customers by releasing products in various price brackets, published in an appealing manner and therefore providing good value for money – both on the domestic market and via services operated by GOG Ltd.

Risks associated with the emergence of new technologies

The digital entertainment segment which is the Group's primary area of activity is characterized by dynamic changes in the applied technologies and IT solutions. This rapid pace of development necessitates frequent corrective actions, development of novel systems and increasing sophistication of the products offered. Technological changes may also influence the means by which games and other products are delivered to the final customer, as well as the capabilities of gaming platforms.

The eighth generation of gaming consoles was unveiled in late 2013, approximately 8 years after the debut of the preceding generation. The latest release of the Company's proprietary gaming engine – REDEngine 3 (which drives The Witcher 3) – supports

both the PC and current-generation consoles. Developing games for new consoles carries clear advantages but also introduces certain risks due to vendor lock-in in a dynamically changing environment.

Group members monitor technological changes which may affect their operations and take steps to adapt their strategy to such changes.

Asset impairment tests

In accordance with the International Financial Reporting Standards the Company performs asset impairment tests. Positive results of future tests cannot be guaranteed.

Exchange rate risks:

Risks associated with PLN strengthening against EUR and USD

Due to the global character of its activities the Capital Group is subject to risks associated with sudden exchange rate changes involving PLN and foreign currencies, particularly EUR and USD. A significant portion of publishing and distribution agreements to which CD PROJEKT S.A. is party (as a videogame developer) is denominated in foreign currencies – mostly USD and EUR. Accordingly, the strengthening of PLN against foreign currencies is viewed as an unfavorable circumstance by the Group, reducing its revenues from distribution and licensing contracts. CD PROJEKT S.A. performs hedging as a means of mitigating exchange rate risks, however such risks cannot be entirely eliminated.

GOG Ltd. revenues are denominated primarily in USD and – to a lesser degree – in EUR, GBP, AUD and RUB, while costs are borne in USD, EUR and PLN. Accordingly, the strengthening of PLN or EUR against the currencies in which GOG Ltd. obtains revenues is viewed as an unfavorable circumstance by the Group, reducing the profitability of GOG Ltd.

Risks associated with major shareholders' actions

As of the date of preparation of this report CD PROJEKT S.A. has several major shareholders, as described elsewhere in this report. Owing to their share in the Company share capital and the total number of votes at the General Meeting the major shareholders, when acting in concert, exercise effective control over the Company. They may use their majority at the General Meeting to effect significant decisions – for example introduce changes in the Company Articles, issue new stock, reduce the Company share capital, issue convertible bonds, pay out dividends and perform other actions which, according to the Commercial Company Code, require a majority or supermajority of votes at the General Meeting. The major shareholders acting in concert also possess a sufficient number of votes to exercise *de facto* control over the composition of the Supervisory Board by directly appointing all or most of its members (depending on whether group voting is instituted). In turn, the Supervisory Board may appoint the President of the Management Board as well as other members of the Management Board in accordance with the major shareholders' wishes. Due to the above listed prerogatives investors should not assume that the major shareholders will always act in the interest of other shareholders of the Company.

Risk factors associated with the Group's market environment

Piotr Nowakowski 28.4.2016 12:51

Komentarz [9]: Tak w oryginale, ale w tym raporcie akurat nie ma wzmiankowanego opisu – może usunąć?

Risks associated with changes in macroeconomic conditions

The overall condition of the global economy, including global political crises and deterioration of economic conditions both in Poland and worldwide, may have a negative impact on the Group's financial standing.

A negative macroeconomic outlook may force consumers to adopt a conservative stance and therefore negatively affect product sales through official distribution channels. Additionally, negative macroeconomic conditions may hinder access to sources of financing, reducing the scope of game development projects. Group members monitor the impact of global economic conditions on their respective markets and adjust their actions accordingly.

Risks associated with legislative changes and conflicts of jurisdiction

Legal regulations, both in Poland and abroad, are subject to frequent changes. These changes, as well as the variability in the interpretation of existing law, constitute a risk which manifests itself e.g. with regard to taxation, trade regulations, intellectual property law, labor law and capital market law. Any change in legislation has the potential to negatively impact Group activities, either by increasing their costs or invalidating projections concerning future events. Legislative changes may also impact the legal environment in which the Group conducts its operations. Introduction of new regulations may be associated with inconsistent case law and conflicting or outright unfavorable interpretations by public administration bodies (including tax authorities).

Members of the CD PROJEKT Capital Group are subject to legal regulations in countries where they distribute their products as well as – to some extent – in countries in which they purchase or license products for publication, or acquire technologies used in the game development process. Large portions of sale, purchase and licensing agreements concluded with foreign parties are governed by foreign law. This creates the risk of incorrect interpretations by Group members. In order to mitigate this risk, Group members employ the services of foreign legal consultants who specialize in the relevant fields.

Risks associated with competitors' actions

The Group's business performance is affected by its competition's strategy, financial standing and the ability to procure financing on favorable terms. The Group encounters competition when negotiating game publishing and distribution agreements, conducting marketing campaigns and introducing its own products to external distribution channels. The Group mitigates this risk by implementing an active publishing policy and maintaining good relations with its business partners. Additionally, Group members work to diversify their suppliers and sales channels.

Insurance policies

An important element of the Company risk management strategy is active insurance management, performed in cooperation with an insurance broker. The following (significant) insurance policies were applicable to the Company and its subsidiaries in 2015:

- all-risk insurance against property loss or damage caused by fire and other acts of God, including insurance against additional costs caused by events covered by this insurance policy;
- specialist insurance of electronic equipment;
- general civil liability insurance including product liability insurance;
- corporate liability insurance for top managers of the Company and its Capital Group – including insurance against claims associated with the discharge of official duties by members of the Management Board, procurers and members of the Supervisory Board;
- travel insurance – breakdown coverage, assistance and civil liability insurance (Polish AC/OC/NNW) for motor vehicles owned by the Company and its subsidiaries;
- compulsory civil liability insurance associated with provisioning of commercial accounting services;
- foreign travel insurance for employees.

Physical security

The offices of CD PROJEKT S.A., CD PROJEKT Brands S.A. and GOG Poland Sp. z o.o. are located in Warsaw, at Jagiellońska 74. The offices are equipped with an access control system supporting different security clearance levels for various parts of the premises. At nighttime as well as during weekends and holidays the premises are patrolled by an external security company. Vacant sections of the premises are equipped with an alarm system which is capable of dispatching automatic notifications to a monitoring HQ. The entrance and main hallways are monitored by CCTV. The offices are part of a closed industrial complex which provides additional security staff.

Compliance and internal auditing

Due to the scale and nature of Company activities, no formalized compliance and internal auditing mechanism is in force at the Company and no dedicated organizational unit has been established for this purpose. An ownership supervision department exists within the CD PROJEKT S.A. organizational structure, tasked with fiscal and legal supervision of Capital Group activities and proper discharge of statutory duties incumbent upon the Company. In justifiable cases Capital Group member companies employ the services of external law firms in order to mitigate legal and fiscal rights.

Summary

In the Supervisory Board's opinion the internal control system and risk mitigation strategies described above are consistent. As such, the Supervisory Board deems the internal control system and risk mitigation strategies applied in 2015 appropriate and believes that they materially reduce key risks which may threaten Company operations.

Resolution no. 10

of the Supervisory Board of CD PROJEKT S.A.
of 27 April 2016
***concerning assessment of Management Board recommendations submitted to the
General Meeting***

Pursuant to Rule No. II section 11 of the Code of Best Practices for WSE Listed Companies, the following is hereby decided:

§ 1

The Supervisory Board concurs with the recommendations submitted to the General Meeting of Shareholders by the Management Board of CD PROJEKT S.A. regarding the adoption of resolutions covered by the agenda of the General Meeting convened on 24 May 2016, as published by the Management Board in Current Report 12/2016 of 26 April 2016 concerning convocation of the Ordinary General Meeting of Shareholders of CD PROJEKT S.A. on 24 May 2016 and submission to the Supervisory Board of a set of recommendations concerning resolutions to be adopted at the General Meeting.

§ 2

The resolution enters into force on the date of its adoption.