



CD PROJEKT®

GUIDE TO THE GENERAL MEETING OF CD PROJEKT S.A.

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

This document has been prepared for information purposes only and does not constitute a binding interpretation of the applicable law. All matters related to the General Meeting of CD PROJEKT are regulated by the corresponding legal acts, the General Meeting Regulations of CD PROJEKT S.A. and the Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Communication Tools. We encourage readers to familiarize themselves with these documents.

Esteemed Fellow Shareholders,

I would like to invite you to take part in the Extraordinary General Meeting of CD PROJEKT S.A. which will take place on 22 September 2020 at 10:00 at the Company headquarters – Warsaw, Jagiellońska 74. The General Meeting will also support remote electronic voting.

This General Meeting is convened in order to again vote on matters related to the new CD PROJEKT Group Incentive Program for 2020-2025.

At the Ordinary General Meeting held on 28 July of the current year the resolution which institutes the Incentive Program for 2020-2025 gained the required three-fifths supermajority of votes required under the Company Articles; however, the resolution permitting the issue of subscription warrants with exclusion of subscription rights for existing shareholders, which is one of the tools by which the new Incentive Program is to be implemented, failed to gain the required qualified four-fifths supermajority of votes represented at the General Meeting. Consequently, we decided to amend the contents of resolutions instituting the Incentive Program at the CD PROJEKT Group to better reflect the expectations of our Shareholders. Work on new drafts was preceded by a round of consultations with concerned parties.



The highly ambitious result goals of the Program are defined for four-, five- and six-year periods. If earnings are exceptionally high, the program may vest earlier, but not before three years have elapsed.

I trust that the amended resolutions will gain support of our Shareholders. I would also like to underscore that launching the new Incentive Program is instrumental in motivating and attracting people whose competences and experience are crucial for the CD PROJEKT Group. In this way we can carry on with our dynamic growth and keep creating top quality innovative videogames.

We always attach great weight to what our Shareholders have to say. On behalf of the entire Management Board of CD PROJEKT, as well as on my own behalf, I would like to encourage you to take an active part in the upcoming General Meeting. As remarked above, for your convenience we again enable our Shareholders to participate in the General Meeting and cast their votes using remote communication tools – details concerning remote participation can be found here: www.cdprojekt.com.

Respectfully,

Adam Kiciński
President of the Board



Frequently asked questions

Who is entitled to participate in the General Meeting (GM) of CD PROJEKT S.A. convened on 22 September 2020?

The right to participate in the General Meeting appertains to all individuals who will have held at least one share of CD PROJEKT S.A. stock in their securities account sixteen days prior to the date of the General Meeting, i.e. on 6 September 2020 (this date is referred to as "Registration Day").

What should I do to be able to participate in the General Meeting?

First, you have to be a shareholder of CD PROJEKT S.A. on the Registration Day. Furthermore, you need to contact the brokerage house which manages the securities account where your CD PROJEKT S.A. shares are deposited, and request a named certificate of eligibility for participation in the GM. Shareholders can do so between the day on which convocation of the GM is announced (27 August 2020) and the first business day following the Registration Day (7 September 2020).

The list of shareholders entitled to participate in the General Meeting will be collated by the Company on the basis of data obtained from the National Depository for Securities.

How can I check who is on the list of shareholders entitled to participate in the GM?

The Company will provide each shareholder entitled to participate in the GM with access to the list of all shareholders entitled to participate in the GM. This list can be accessed at the registered office of CD PROJEKT S.A. at Jagiellońska 74, Warsaw, between 9:00 and 16:00 throughout the three business days immediately preceding the General Meeting, i.e. between 18 September 2020 and 22 September 2020.

The list can also be obtained by e-mail sent to an address indicated by the shareholder. To arrange this method of delivery, please contact us at wza@cdprojekt.com.

General Meeting of Shareholders – basic information

Date: 22 September 2020

Time: 10:00 CEST*

Means of participation:

Key dates



personal, through
a plenipotentiary
or remote



using
electronic
communication tools

- 27 August 2020 – convocation of the General Meeting
- 6 September 2020 – Registration Day
- 7 September 2020 – first business day following the Registration Day
- 18 September 2020 – day on which the list of all shareholders entitled to take part in the General Meeting shall be made available
- 22 September 2020 – General Meeting date

*Due to the need to secure a larger meeting room and the fact that the General Meeting will be held on different premises than in past years, and also in light of the planned livestream, we would like to ask everyone who intends to personally participate in the General Meeting to arrive and register before 10:00.



Do I have to be physically present at the Company HQ in Warsaw to take part in the General Meeting?

The Company will provide shareholders with a remote participation option using electronic communication tools. Of course, physical participation at CD PROJEKT S.A. offices in Warsaw, will still be possible. This physical meeting will be organized in compliance with the applicable epidemiological guidelines – including physical distancing between participants and the availability of hand sanitizer. We kindly ask all participants to carry face masks.

We care for the well-being of all GM participants and would like to encourage you to take advantage of the remote participation and voting option with the use of electronic communication tools.

I am entitled to participate in the General Meeting but I want to take part and exercise my voting rights remotely, using electronic communication tools – what do I need to do?

In order to participate in the GM and exercise voting rights remotely using electronic communication tools, you first need to be a shareholder of the Company on the Registration Day and obtain a named certificate of eligibility to participate in the General Meeting from your brokerage house. You then need to – not later than 7 days prior to the GM – e-mail to wza@cdprojekt.com a properly filled out notification form, signed using your trusted profile or qualified electronic signature, or signed by traditional means and subsequently scanned and saved in PDF format ([you can download the notification template here](#)), together with documentation which enables us to identify you as a shareholder. Detailed information concerning the required documentation can be found in the [Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Electronic Communication Tools](#).

If a shareholder wishes to be represented at the GM by a plenipotentiary, we also need to receive documents which confirm that plenipotentiary rights have been granted. Further information can be found in the [Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Electronic Communication Tools](#).

Having obtained the required documents, CD PROJEKT will validate the eligibility of each applicant for participation in the General Meeting of the Company using electronic communication tools. If this validation is successful, not later than three days prior to the GM, the shareholder will receive detailed instructions concerning access to the GM voting platform, along with an initial login and password enabling them to register with the platform.

I'm not sure if my network connection and laptop meet the technical requirements of participation in e-GM. How do I make sure?

Technical requirements related to remote participation in the GM using electronic communication tools can be found in [Appendix no. 1](#) to the Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Electronic Communication Tools. To make sure things are working as expected, the shareholder will be able to personally test the platform one day before the GM.

As a shareholder, do I have to personally participate in the GM?

A shareholder who is a natural person may participate in the GM and exercise voting rights personally or through a plenipotentiary. A shareholder who is not a natural person may participate in the GM and exercise voting rights by being represented by a person authorized to issue declarations of will on their behalf, or by a plenipotentiary.

Detailed information concerning the required plenipotentiary authorization forms and other related conditions can be found in the CD PROJEKT S.A. General Meeting Regulations and the Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Remote Electronic Communication Tools.

Who is authorized to submit draft resolutions?

According to the Commercial Companies Code, the right to demand that certain matters be included in the General Meeting agenda appertains to a shareholder or shareholders who collectively control at least 1/20 of the Company share capital, i.e. at least 4 806 000 shares.

The abovementioned demand should be submitted to the Management Board of the Company not later than 21 days prior to the date of the General Meeting, i.e. by 1 September 2020.

The demand should be accompanied by a justification or by a draft resolution which relates to the proposed agenda item, and may be submitted by e-mail at wza@cdprojekt.com.

Shareholders are entitled to submit to the Company, prior to the General Meeting date, in writing or by e-mail at wza@cdprojekt.com, draft resolutions concerning matters added to the General Meeting agenda or additional matters which should be considered at the General Meeting agenda.

At the General Meeting each shareholder of the Company may submit draft resolutions concerning matters on the General Meeting agenda.

Where can I find further information and documentation related to the General Meeting?

All documents related to matters on the General Meeting agenda or matters which are to be added to the General Meeting agenda prior to the General Meeting date, will be made available on the Company website at www.cdprojekt.com.

The abovementioned documents include, among others:

- Notice of convocation of the GM, organizational information and meeting agenda,
- Draft resolutions which are to be considered at the GM, along with the corresponding justifications,
- Required forms (e.g. plenipotentiary authorization forms),
- Details concerning participation and exercise of voting rights using electronic communication tools.

The information and documentation related to the General Meeting available on www.cdprojekt.com will be updated as necessary.

What language can be used to address the General Meeting and participate in voting?

Documentation submitted to the General Meeting will be prepared in Polish and fully translated into English. The General Meeting itself will be held in Polish at the CD PROJEKT headquarters, however its live broadcast will be translated into English on the fly. Solutions which enable remote participation in the General Meeting and casting votes using electronic communication tools will be adapted to the needs of both Polish- and English-speaking participants¹.

Who to ask for help if I have questions concerning GM procedures?

Should you have any questions or concerns with regard to participation in the General Meeting, please contact the Company at wza@cdprojekt.com.

¹ Despite all the efforts devoted to the translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. CD PROJEKT, its representatives and employees decline all responsibility in this regard.

Draft resolutions and Management Board recommendations

On 28 July 2020 the Ordinary General Meeting of CD PROJEKT S.A. adopted a resolution concerning institution of a new Incentive Program covering the years 2020-2025. The resolution gained the required three-fifths supermajority of votes, as mandated by the Company Articles. However, the attendant resolution concerning issue of subscription warrants with exclusion of subscription rights for existing shareholders in order to enable implementation of the new Incentive Program failed to gain the required qualified four-fifths supermajority of votes represented at the General Meeting, as mandated by the Commercial Companies Code.

Consequently, in line with its own announcements, the Management Board of CD PROJEKT S.A. convened a General Meeting for 22 September 2020 in order to again submit to a vote a resolution no. 4 concerning the issue of subscription warrants with exclusion of subscription rights for existing shareholders, enabling implementation of the Incentive Program, as well as a resolution no. 3 amending the conditions of the Incentive Program for 2020-2025 at the Group. The contents of the proposed resolutions were suitably amended by the Company following consultations with minority shareholders expressing interest in the matter.

Draft resolution	Resolution no.	Board recommendation
Introduction of amendments to the Incentive Program for 2020-2025	3	SUPPORT
Issue of subscription warrants and conditional increase in the Company share capital by not more than 4 million PLN by issuing 4 million Series N bearer shares with exclusion of subscription rights for existing shareholders	4	SUPPORT

Justification of the proposed resolutions

We are convinced that instituting a new Incentive Program covering the years 2020-2025 at the CD PROJEKT Group is necessary for the Group to effectively motivate and attract people with unique competences and experience, regarded as indispensable in the development of innovative videogames.

Incentive programs are a common tool in the global electronic entertainment industry, where we compete with access to top-quality human talent – a rare and highly prized resource – with other leading developers. A share-based Incentive only represents an attractive and sought-after aspect of rewarding key members of our team, while at the same time providing a way to forge long-term links between such individuals and the projects and long-term strategic goals of the CD PROJEKT Group.

In the Board's opinion the Incentive Program for 2020-2025 is based on highly ambitious goals, requiring:

- a manifold increase in the Group's consolidated earnings compared to results obtained in past years, along with
- outstanding performance of the Company stock in comparison with the entire Warsaw market where the Company is traded, represented by the WIG index.

The Program is based on Result Goals defined for four-, five- and six-year periods. It may vest earlier only if earnings are exceptionally high; however, in all circumstances its duration will be at least three years.

The goals of the program are consistent with the interests of shareholders and support long-term growth in the Company's value.

The provisions of the Incentive Program for 2020-2025 represent a continuation of two earlier incentive programs, which represent a continuum since 2012. The Board's intent is to enable the Company to initiate assignment of entitlements under the Incentive Program for 2020-2025 by the end of October 2020, i.e. before the release of *Cyberpunk 2077*, which is scheduled for 19 November 2020. Specific provisions of the program are adapted to the cyclical character of the Company's activities, based on implementing videogame development projects which last many years, as well as to the provisions of the trade and tax law.

Key changes introduced in resolutions no. 3 and 4

Below we present the full list of changes introduced in resolutions instituting the Incentive Program for 2020-2025, originally submitted to a vote at the General Meeting on 28 July 2020. The actual draft resolutions, with change tracking enabled, are provided as [Attachment no. 1](#) to this Guide.

- 1.** The 5% discount applicable to exercise of entitlements following attainment of the Market Goal, for which the program does not provide for two distinct variants, has been repealed. In parallel, with regard to entitlements related to attainment of the Result Goal in its base variant (6 billion PLN in Groupwide net earnings over 4 years, or 7 billion PLN over 5 years, or 8.3 billion PLN over 6 years), vesting will proceed without any discount compared to the base price. With regard to attainment of the Result Goal earlier than anticipated, or with greater than anticipated earnings, vesting will incorporate a 5% discount in the price of shares corresponding to the aforementioned goal, intended as a bonus for participants of the program in light of the Group's strong performance.
- 2.** The reference date, used to determine whether the Market Goal of the Incentive Program has been attained, has been moved from 30 December 2019 (closing date of the previous Incentive Program at the CD PROJEKT Group) to 22 September 2020, i.e. date of adoption by the General Meeting of resolutions discussed in this Guide. This implies that the Board has set an even more ambitious Market Goal than was the case in the original resolution.
- 3.** A minimum vesting delay of at least 3 years has been introduced: the initial assessment of the attainment of the program's Result Goal will occur not earlier than following approval of the Group's earnings for 2022. The previous resolution contained a provision whereby assessment of the attainment of the Result Goal may have occurred following approval of the Group's earnings for 2020 or 2021, which, in theory (assuming that the Group would have posted at least 6 billion PLN in net earnings for the corresponding period), meant that the program could vest in just one or two years.

Additionally, technical changes were introduced in Resolution no. 3, consisting of:

- 1.** Certain minor editorial changes have been introduced in the definition of Entitlements in order to improve the readability of provisions regulating the moment of potential future assignment of subscription warrants – these warrants may be assigned only after the results of the program have been attained and officially confirmed.
- 2.** The deadline for assigning Entitlements, specified in Resolution no. (...) § 3 section 2 has been extended by 1 month (from 30 September 2020 to 31 October 2020) due to a change in the date of entry into force of the Incentive Program.

Core assumptions underpinning the 2020-2025 Incentive Program

As proposed by the Board, the new incentive program is to be structured along roughly the same lines as the Company's past incentive programs. The goal is to create suitable conditions for the Company and its Group to further improve their financial standing and achieve long-term growth by forging long-term links between individuals enrolled in the Program with the Company's Group and its goals.

The Incentive Program will be implemented by granting to the Entitled Parties certain entitlements in the form of a conditional right to (i) claim (following confirmation of the attainment of the Program's goals and conditions) dematerialized named subscription warrants entitling them to claim newly issued shares of the Company, or (ii) purchase (following confirmation of the attainment of the Program's goals and conditions) Company shares which will have previously been bought back by the Company as part of a share buy-back program. The total quantity of Entitlements granted under the Incentive Program shall not exceed four million. Entitled Parties who are also members of the Management Board shall not receive more than 50% of all Entitlements grantable under the Incentive Program.

Goals of the Incentive Program

The incentive program is based on achieving the following goals proposed by the Company Board:

Result goal – 80% of entitlements

Base variant, enabling exercise of Entitlements at their associated base price:

A situation where the consolidated net earnings from continuing operations of the Company's Group, increased by costs related to estimation of the granted Entitlements as entered in the accounts of Group member companies for each verification period, is at least as follows:

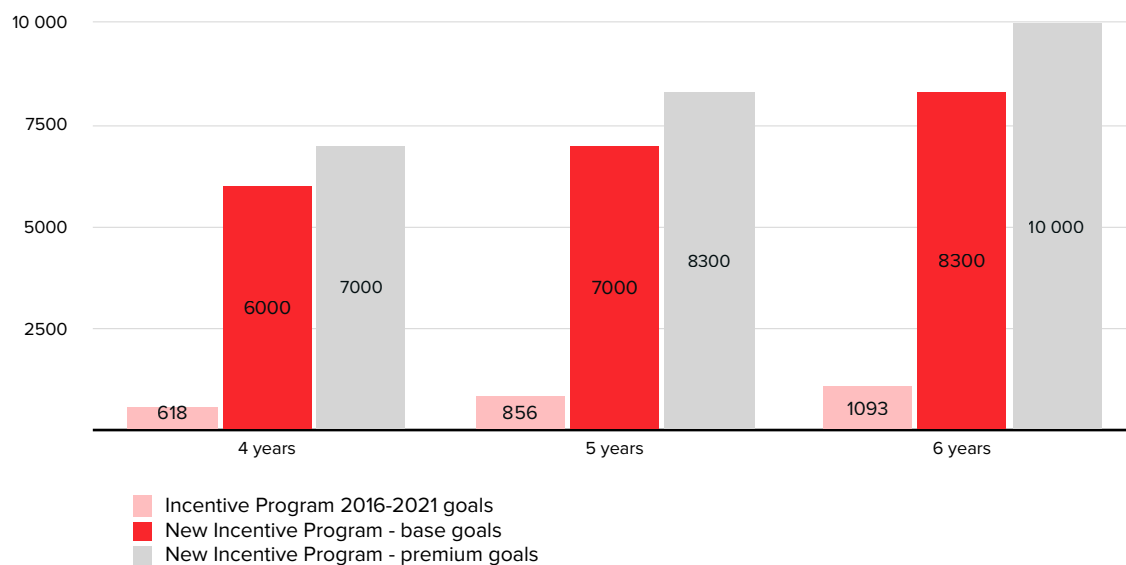
- a) for the financial years 2020-2023 – 6 billion PLN and at least 59.02 PLN per Company share existing on the final date of the corresponding verification period, or
- b) for the financial years 2020-2024 – 7 billion PLN and at least 68.86 PLN per Company share existing on the final date of the corresponding verification period, or
- c) for the financial years 2020-2025 – 8.3 billion PLN and at least 81.65 PLN per Company share existing on the final date of the corresponding verification period, or

A variant which corresponds to attainment of any of the abovementioned goals one year in advance or circumstances where the Group's consolidated net earnings for 2020-2025 reach at least 10 billion PLN, enabling exercise of Entitlements at a 5% discount:

A situation where the consolidated net earnings from continuing operations of the Company's Group, increased by costs related to estimation of the granted Entitlements as entered in the accounts of Group member companies for each verification period, is at least as follows:

- a) for the financial years 2020-2022 – 6 billion PLN and at least 59.02 PLN per Company share existing on the final date of the corresponding verification period, or
- b) for the financial years 2020-2023 – 7 billion PLN and at least 68.86 PLN per Company share existing on the final date of the corresponding verification period, or
- c) for the financial years 2020-2024 – 8.3 billion PLN and at least 81.65 PLN per Company share existing on the final date of the corresponding verification period, or
- d) for the financial years 2020-2025 – 10 billion PLN and at least 98.37 PLN per Company share existing on the final date of the corresponding verification period.

Chart 1 The Incentive Program 2020-2025 - results goals



Market goal – 20% of entitlements

A goal which is defined as a change in the price of Company stock on the Warsaw Stock Exchange in such a way that the percentage difference between the closing price of Company stock on the final trading day during the financial year covered by the Incentive Program and the corresponding closing price on the day of the Extraordinary General Meeting of Shareholders, that is on 22 September 2020 is more than 100% greater than the corresponding change in the value of the WIG index over the same period.

Entitlement exercise price

Following attainment of the goals of the Incentive Program, the Entitled Parties whose entitlements have been assigned by 31 October 2020 will be able to exercise their assigned Subscription Warrants or purchase Company shares at the following prices (corresponding to the issue price of shares claimable as a result of exercising rights incorporated by Subscription Warrants or the purchase price of each Own Share):

- in case of attainment of the base variant of the Result Goal or the Market Goal – the average closing price of Company stock on the Warsaw Stock Exchange calculated over 30 (thirty) trading days preceding the date of adoption of the resolution instituting the Incentive Program for 2020-2025 by the Ordinary General Meeting held on 28 July 2020;
- in case of attainment of the Result Goal earlier than anticipated, or with higher than anticipated earnings – the exercise price for Entitlements assigned in relation to that goal will be determined in the manner specified above and subsequently discounted by 5%.

With regard to Entitled Parties whose Entitlements are assigned on the basis of Management Board or Supervisory Board resolutions after 31 October 2020, following attainment of the Program's goals such parties will be able to exercise their assigned Subscription Warrants or purchase Company shares at the following prices:

- in case of attainment of the base variant of the Result Goal or the Market Goal – the closing price of Company stock on the Warsaw Stock Exchange on the day immediately preceding the adoption of the corresponding assignment resolution by either the Management Board or the Supervisory Board;
- in case of attainment of the Result Goal earlier than anticipated, or with higher than anticipated earnings – the exercise price for Entitlements assigned in relation to that goal will correspond to the closing price of Company stock on the Warsaw Stock Exchange on the day immediately preceding the adoption of the corresponding assignment resolution by either the Management Board or the Supervisory Board, discounted by 5%.

In all circumstances, the purchase price of shares claimed or purchased in the exercise of Entitlements assigned after 31 October 2020 may not be lower than the corresponding price defined for the given goal with regard to Entitlements assigned up until 31 October 2020, as described in the preceding paragraph.

In all circumstances, following positive verification of the goals and criteria of the Incentive Program the Company may, in order to mitigate dilution of stock, discretionarily present the Entitled Party with an offer to settle the Incentive Program by reducing the quantity of assigned Entitlements and commensurately lowering their exercise price to match the nominal value of Company shares.

Communication with shareholders

CD PROJEKT makes every effort to provide investors with equal access to accurate information concerning the Company's current activities, employing a variety of tools tailored to the needs of individual investors, analysts, brokerage houses and investment fund managers.

The Company replies to questions and addresses concerns voiced by any and all of its shareholders, regardless of the number of shares they control. We invite you to contact us at:

Address: ul. Jagiellońska 74, 03-301 Warszawa

Mail: gielda@cdprojekt.com

Phone: +48 22 519 69 00

Appendix no. 1 - Draft resolutions (with change tracking enabled for your convenience)

Resolution No. 322
of September 22 July 28, 2020
of the ExtraoOrdinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning institution of the Incentive Program

I. INCENTIVE PROGRAM

§ 1.

1. The institution of an incentive program by the Company for selected persons affiliated with CD PROJEKT S.A. with a registered office in Warsaw (hereinafter referred to as “**Company**”) and other companies belonging to its capital group (hereinafter referred to as “**Incentive Program**”) is hereby decided
2. The Incentive Program shall cover the financial years 2020-2025.
3. The aim of the Incentive Program is to create optimal conditions for further improvement of the financial standing of the Company and its capital group, and for long-term increase in Company value by forging persistent links between individuals participating in the Incentive Program (hereinafter referred to as “**Entitled Parties**”) and the Company’s capital group and its business objectives.
4. Other detailed terms and conditions governing the Incentive Program shall be determined by the Company Board with the Supervisory Board’s approval, and published in a separate document (hereinafter referred to as “**Terms And Conditions**”), acknowledging the provisions of the Resolution and not prejudicial thereto.

§ 2.

1. The Incentive Program shall be implemented by granting to the Entitled Parties certain entitlements (hereinafter referred to as “**Entitlements**”) in the form of a conditional right, which shall vest following attainment of the goals and conditions of the Incentive Program, to (i) claim dematerialized named subscription warrants (hereinafter referred to as “Subscription Warrants”) entitling them to claim new shares of the Company issued by way of a conditional increase in the Company’s share capital with exclusion of subscription rights for existing shareholders, or (ii) purchase Company shares which will have previously been bought back by the Company (hereinafter referred to as “Own shares”) as part of a share buyback program. ~~(The conditional rights described above will hereinafter be collectively referred to as “Entitlements”.)~~
2. Except as specified in section 3 below, Entitlements shall be granted to the Entitled Parties (including Entitled Parties who are members of the Company Management Board) at the moment the Management Board adopts a resolution concerning enrollment of the given Entitled Party in the Incentive Program. The foregoing resolution shall, among others, indicate the quantity of Entitlements granted to each Entitled Party, along with the exercise price of each Entitlement specified in § 3 section 2 of the Resolution, as well as – if decided by the Management Board with regard to specific Entitlements – additional criteria which need to be fulfilled in order to enable exercise of the Entitlements.
3. With regard to Entitled Parties who are also members of the Company Management Board the resolution specified in section 2 above shall instead be adopted by the Supervisory Board of the Company.
4. During the period covered by the Incentive Program, additional Entitlements may be granted to Entitled

Parties who are already enrolled in the Incentive Program and additional Entitled Parties may be enrolled in the Incentive Program. The decision to grant additional Entitlements shall rest with the Management Board, or, where granting Entitlements to Management Board members is concerned – with the Supervisory Board. In each case, the corresponding decision must assume the form of a resolution as specified in sections 2 and 3 above.

5. Exercise of an Entitlement, which consists in extending an offer to the Entitled Party to claim Warrants or Own Shares (hereinafter collectively referred to as “**Instruments**”) is contingent upon fulfillment of certain conditions taken into account by the Company when determining whether the Entitled Party meets the criteria and goals expressed in this Resolution and in other documents regulating the Incentive Program.

6. The total quantity of Entitlements granted under the Incentive Program shall not exceed 4 000 000 (four million).

7. Except as specified in Art. 6 section 6 of the Act, each Entitlement incorporates the right to conditionally claim one Instrument.

8. Selection of the specific Instrument which may be claimed by the Entitled Party in the process of exercising an Entitlement rests with the Management Board of the Company, or with the Supervisory Board as concerns Entitlements granted to Entitled Parties who are also members of the Management Board.

9. Entitled Parties who are also members of the Management Board shall not receive more than 50% of all Entitlements grantable under the Incentive Program.

10. Incumbent members of the Supervisory Board of the Company may not become Entitled Parties. If an incumbent member of the Supervisory Board of the Company is a person who had previously been granted Entitlements as holder of one of the positions specified in § 5 section 4 of the Resolution, that person shall retain their Entitlements as long as they continue to meet the loyalty criterion expressed in the aforementioned section.

II. ENTITLEMENT EXERCISE PRICE

§ 3.

1. Following attainment of the goals and criteria expressed in this Resolution and other documentation regulating the Incentive Program, the Incentive Program shall vest by permitting exercise of individual Entitlements, which consists in extending an offer to the Entitled Parties to claim a certain quantity of Instruments, as governed by regulations applicable to the Incentive Program.
2. Except as specified in § 6 section 6 of the Resolution, the share purchase price applicable to exercise of Entitlements (i.e. the issue price of Company shares whose claim rights are incorporated by the Warrants or the purchase price of Own Shares, as appropriate):
 - i. with regard to Entitlements granted to Entitled Parties via Management Board or Supervisory Board resolutions adopted in accordance with Art 2 section 2, 3 or 4 of the Resolution by ~~September~~ October 31~~0~~, 2020 – is defined as follows:
 - a. the average closing price of Company stock on the Warsaw Stock Exchange calculated over 30 (thirty) trading days preceding the date of adoption of this Resolution by the Ordinary General Meeting – in case of attainment of the goal~~s~~ specified in § 5 section 1 item ~~i or~~ ii of the Resolution – i.e. 390.59 (three hundred and ninety and 59/100) [•] PLN; or
 - b. the average closing price of Company stock on the Warsaw Stock Exchange calculated over 30 (thirty) trading days preceding the date of adoption of this Resolution by the Ordinary General Meeting, discounted by 5% – in case of attainment of the goal specified in § 5 section 1 item~~s~~ ~~or~~ iii of the Resolution – i.e. 371.06 (three hundred and seventy one and 06/100) [•] PLN with regard to Entitlements assigned for the attainment of the aforementioned goal (both prices will hereinafter be referred to as “**Base Entitlement Prices**”);
 - ii. with regard to Entitlements granted to Entitled Parties via Management Board or Supervisory Board resolutions adopted in accordance with § 2 section 2, 3 or 4 of the Resolution after ~~September~~ October 31~~0~~, 2020 – is defined as the closing price of Company stock on the Warsaw Stock Exchange on the day immediately preceding

the date of adoption of the given resolution by the Management Board or Supervisory Board:

- a. in case of attainment of the goals specified in § 5 section 1 item ~~i~~ or ii of the Resolution, or
- b. discounted by 5% (five percent) in case of attainment of the goals specified in § 5 section 1 items ~~i and~~ iii of the Resolution, with regard to Entitlements assigned for the attainment of the aforementioned goal.

In each case, the exercise price may not be lower than the Base Entitlement Price for the given goal, and may not be lower than the nominal value of Company shares.

III. BUYBACK OF SHARES

§ 4.

1. Should the Management Board (or – where Management Board members are concerned – the Supervisory Board) adopt a resolution specifying that the Incentive Program shall vest by way of extending an offer to Entitled Parties to purchase Own Shares, the Management Board will apply to the General Meeting for approval of a share buyback program pursuant to Art. 362 § 1 sections 2 or 8 of the Commercial Companies Code.
2. Should the General Meeting fail to approve the share buyback program, exercise of Entitlements should instead occur by way of extending an offer to Entitled Parties to claim Subscription Warrants. This provision does not abrogate the Management Board's right to reapply to the General Meeting for approval of a share buyback program for the aforementioned purpose.

IV. PROGRAM GOALS AND CRITERIA

§ 5.

1. Vesting of the Incentive Program is contingent upon attainment of the following goals:
 - i. the market goal, which is defined as a change in the price of Company stock on the Warsaw Stock Exchange in such a way that the percentage difference between the closing price of Company stock on the final trading day during the financial year covered by the Incentive Program and the corresponding closing price on ~~December 30, 2019~~ September 22, 2020 is more than 100% greater than the corresponding change in the value of the WIG index over the same period (this is hereinafter referred to as **"Market Goal"**); or
 - ii. the result goal, which is defined as a situation where the consolidated net earnings from continuing operations of the Company's capital group, increased by costs related to estimation of the granted Entitlements as entered in the accounts of group member companies for each verification period, is at least as follows (this is hereinafter referred to as **"Result Goal"**):
 - a) for the financial years 2020-2023 – 6 billion PLN and at least 59.02 PLN per Company share existing on the final date of the corresponding verification period, or
 - b) for the financial years 2020-2024 – 7 billion PLN and at least 68.86 PLN per Company share existing on the final date of the corresponding verification period, or
 - c) for the financial years 2020-2025 – 8.3 billion PLN and at least 81.65 PLN per Company share existing on the final date of the corresponding verification period, or
 - iii. attainment of the Result Goal:
 - a) described in section ii a) above, i.e. for the years 2020-2023, over a shorter period, i.e. ~~during 2020, or in the years 2020-2021, or~~ in the years 2020-2022, or
 - b) described in section ii b) above, i.e. for the years 2020-2024, over a shorter period, i.e. in the years 2020-2023, or
 - c) described in section ii c) above, i.e. for the years 2020-2025, over a shorter period, i.e. in the years 2020-2024, or

d) for the financial years 2020-2025 – 10 billion PLN and at least 98.37 PLN per Company share existing on the final date of the corresponding verification period.

2. Attainment of the Market Goal shall enable the Entitled Parties to exercise not more than 20% of their assigned Entitlements, while attainment of the Result Goal shall enable the Entitled Parties to exercise not more than 80% of their assigned Entitlements.

3. Should the Result Goals defined for the years 2020-2023 and 2020-2024 not be met, while the Result Goal specified in section 1 ii c) above for the years 2020-2025 be met to a degree lower than 100% but above 80% of the specified amount, each percentage point reflecting unrealized goals will result in a 2% decrease in the number of Entitlements which may be exercised by the Entitled Parties, compared with the quantity of exercisable Entitlements which corresponds to full attainment of the Result Goal.

4. 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 enrollment in the Incentive Program and the day of confirmation of attainment of either the Result Goal or the Market Goal, along with any other conditions specified by the Management Board (or – where Management Board members are concerned – by the Supervisory Board).

5. Fulfillment of the loyalty criterion and any other conditions specified by the Management Board (or – where Management Board members are concerned – by the Supervisory Board), in addition to attainment of the goals listed in section 1 above, is a mandatory prerequisite of the exercise of Entitlements. Entitlements expire upon being exercised.

6. The Terms and Conditions of the Incentive Program may specify additional circumstances under which Entitlements will be regarded as having expired, including non-performance of official duties by the Entitled Party, gross negligence or engaging in actions prejudicial to the interests of the Company or its capital group.

V. VERIFICATION OF THE INCENTIVE PROGRAM GOALS AND CRITERIA, AND VESTING OF THE PROGRAM

§ 6.

1. Verification of the attainment of the Result Goal by the Entitled Parties shall be carried out by the Company Management Board within 14 days of the date of the Ordinary General Meeting convened to approve the financial statement of the Company for the financial year during which attainment of the Result Goal specified in § 5 of the Resolution has occurred, with the added provision that the first such verification may occur not earlier than following approval of the Company's earnings for the year 2022. With regard to Entitled Parties who are also members of the Company Management Board, this determination shall be made by the Supervisory Board of the Company within 30 days of the positive verification of attainment of the Result Goal by the Management Board.

2. With regard to periods ending on December 31, ~~2020, December 31, 2021, December 31,~~ 2022, December 31, 2023 and December 31, 2024, verification of the attainment of the Market Goal shall be concurrent with positive identification of the fulfillment of the Market Goal's criteria (solely on the basis of the closing price on the final trading day of the financial year during which attainment of the Result Goal has occurred), or take place during further years covered by the Incentive Program in circumstances where the Result Goal has been attained but the Market Goal has not been attained during the given financial year. In the latter case the Management Board (or – where Management Board members are concerned – the Supervisory Board) shall perform verification of the attainment of the Market Goal not later than one month following the close of the given financial year. Should the Market Goal remain unmet on any of the previously listed dates, final verification will be performed for the

final trading day of 2025. If, as calculated on that date, the percentage change in the price of Company stock on the Warsaw Stock Exchange will have outperformed the corresponding change in the WIG index by less than 100% but by more than 80% over the entire duration of the Incentive Program (i.e. by December 31, 2025), each percentage point reflecting unrealized goals will result in a 2% decrease in the number of Entitlements which can be exercised by the Entitled Parties, compared with the quantity of exercisable Entitlements which corresponds to full attainment of the Market Goal. Verification will be carried out by the Company Management Board (or – in the case of Entitled Parties who are also members of the Company Management Board – by the Supervisory Board) not later than as specified in section 1 above, or, if the Result Goal had been achieved during earlier years – not later than on January 31, 2026. Should the change in the closing price of Company stock outperform the corresponding change in the WIG index by less than 80%, the Result Goal shall be regarded as entirely unmet.

3. If positive verification of the attainment of either the Result Goal or the Market Goal occurs, the Management Board of the Company shall concurrently perform verification of the fulfillment of the loyalty criterion specified in § 5 section 4 of the Resolution, along with any additional criteria. With regard to Entitled Parties who are also members of the Company Management Board, this verification shall instead be performed by the Supervisory Board.

4. If, following attainment of either the Result Goal or the Market Goal, the exercise of Entitlements cannot occur solely due to non-fulfillment of additional criteria, the Company shall perform verification of the fulfillment of the loyalty criterion and any other applicable criteria listed in section 1 above during subsequent years covered by the Incentive Program. The Company may also perform this verification at any point in time throughout the duration of the Incentive Program.

5. Depending on the specified exercise method, the offer to claim Subscription Warrants or purchase Own Shares shall be extended to Entitled Parties within 30 days of the adoption of the appropriate resolution by the Management Board (or – where Management Board members are concerned – by the Supervisory Board), confirming attainment of the goals and criteria of the Incentive Program.

6. Having declared attainment of the goals and criteria of the Incentive Program, the Management Board (or – where Management Board members are concerned – the Supervisory Board) is authorized to discretionarily present any Entitled Party with an offer to reduce the quantity of their assigned Entitlements and simultaneously lower their corresponding exercise price to match the nominal value of Company shares in accordance with the following formula, where fractional results are rounded down to the nearest whole number:

$$L_N = C \times (B-A) / B$$

where:

L_N – new quantity of Instruments which the Entitled Party may purchase by way of exercising their assigned Entitlements;

A – exercise price of the given Entitlement;

B – market value of Company shares corresponding to the closing price of Company stock on the Warsaw Stock Exchange on the trading day immediately preceding the submission of the reduced Entitlement exercise offer to the Entitled Party by the Company (this will hereinafter be referred to as “**Market Price**”);

C – quantity of Entitlements being exercised.

7. The authorization specified in section 6 above does not apply if the Market Price is lower or equal to the exercise price of the given Entitlement.

8. Should the Company decide to present the Entitled Party with the offer specified in section 6 above, prior to initiation of activities specified in section 5 above, the Company shall also present the Entitled Party with a detailed description of both exercise variants. The Entitled Party will then be given 7 days, starting on the date of receipt of the aforementioned description, to present the Company with a written declaration indicating their selected exercise variant. Subsequently, the Company shall present the Entitled Party with an offer to claim Subscription Warrants or purchase Own Shares, as appropriate, consistent with the Entitled Party's declaration and respecting the deadlines specified in section 5 above. Should the Entitled Party fail to select an exercise variant, the offer presented by the Company shall not incorporate the mechanism specified in section 6 above.

9. Purchase of Instruments by way of accepting the Company's offer will be carried out in a way consistent with all applicable legislation and regulations issued by the Central Securities Repository of Poland as concerns claiming Subscription Warrants or purchasing Own Shares, as appropriate.

VI. CLOSING PROVISIONS

§ 7.

The Management Board and Supervisory Board of the Company are hereby authorized to undertake all actions required to facilitate implementation of this Resolution.

§ 8

The Resolution enters into force on its adoption date.

Resolution No. ~~423~~
of ~~September 22, 2020~~ July 28, 2020
of the ~~Extrao~~Ordinary General Meeting of Shareholders
of CD PROJEKT S.A., headquartered in Warsaw
concerning issue of subscription warrants in conjunction with implementation of the Incentive Program,
with exclusion of subscription rights for existing shareholders, entitling holders to claim Series N shares,
the corresponding conditional increase in the Company share capital through issue of Series N shares
with exclusion of subscription rights for existing shareholders, submitting an application concerning
admission of Series N shares to trading on the regulated market of the Warsaw Stock Exchange and the
corresponding changes in the Company Articles

§ 1

Pursuant to Art. 448 of the Commercial Companies Code the share capital of CD PROJEKT S.A. (hereinafter referred to as “**Company**”) is hereby conditionally increased by not more than 4 000 000 (four million) PLN by way of issuing not more than 4 000 000 (four million) Sries N ordinary bearer shares with a nominal value of 1 (one) PLN per share.

§ 2

The aim of this conditional increase in the Company share capital is to enable holders of Subscription Warrants (as defined below) to claim Series N shares.

§ 3

1. Under the condition that the Company Articles are amended as specified in § 8 below, pursuant to Art. 453 § 2 of the Commercial Companies Code, in order to facilitate implementation of the incentive program (hereinafter referred to as “**Incentive Program**”) instituted by resolution no. 22 of the Ordinary General Meeting of July 28, 2020 (hereinafter referred to as “**Resolution**”), the issue of between 1 (one) and 4 000 000 (four million) named subscription warrants organized into series identified by successive letters of the alphabet, beginning with “C” and incorporating the right to claim Series N shares of the Company with exclusion of subscription rights for existing shareholders (hereinafter referred to as “**Subscription Warrants**”) is hereby decided. The foregoing description also constitutes the justification required under Art. 449 in conjunction with Art. 445 § 1 of the Commercial Companies Code.
2. The Subscription Warrants shall be issued in dematerialized form.
3. Each Subscription Warrant shall incorporate the right to claim 1 (one) Series N share of the Company, with exclusion of subscription rights for existing shareholders.
4. The Subscription Warrants are issued free of charge.
5. The Subscription Warrants are not transferrable but may be inherited.
6. The rights incorporated by Subscription Warrants may be exercised by the Entitled Party within nine months of the date of deposition of each Subscription Warrant in the securities account or collective account, but not later than within 10 years of the adoption date of this Resolution, i.e. by ~~September 22, [28 July 2020]~~ 2030.
7. The right to claim Series N shares of the Company incorporated by the Subscription Warrants arises on the day the Subscription Warrants are deposited in the securities account or collective account.
8. The rights incorporated by Subscription Warrants for which the right to claim Series N shares of the Company has not been exercised by the date specified in section 6 expire on that date.
9. The right to claim Subscription Warrants shall appertain to individuals enrolled in the Incentive Program (hereinafter referred to as “**Entitled Parties**”), pursuant to the criteria listed in the Incentive Program and the

terms and conditions document instituted on its basis (hereinafter referred to as “**Terms and Conditions**”) by way of Management Board and Supervisory Board resolutions adopted in conjunction with and of in order to ensure implementation of the Incentive Program.

10. The Subscription Warrants will be offered to may be claimed by the Entitled Parties following attainment of goals and implementation criteria expressed in the Resolution and other documents related to the Incentive Program.

§ 4

Subscription rights for Subscription Warrants and Series N shares are hereby excluded for existing shareholders. The shareholders regard this exclusion as economically justified and in the best interest of the Company as well as its shareholders, as described in detail in the corresponding Management Board opinion annexed to this Resolution as Attachment no. 1.

§ 5

1. The right to claim Series N shares shall appertain to holders of Subscription Warrants.
2. Series N shares shall be assigned solely in exchange for payment in cash, which must be fully remitted prior to assignment of such shares.
3. Except as provided in section 4 below, the issue price of Series N shares claimable by holders of Subscription Warrants may vary depending on the series of Subscription Warrants, but must in each case be equal to the following:
 - i. with regard to Subscription Warrants assigned to Entitled Parties on the basis of resolutions adopted by the Management Board or Supervisory Board pursuant to § 2 sections 2, 3 or 4 of the Resolution by September October 31⁰, 2020:
 - a. the average closing price of Company stock on the Warsaw Stock Exchange calculated over 30 (thirty) trading days preceding the date of adoption of the Resolution by the Ordinary General Meeting – in case of attainment of the goals s specified in § 5 section 1 item i or ii of the Resolution – i.e. 390.59 (three hundred and ninety and 59/100) PLN; or
 - b. the average closing price of Company stock on the Warsaw Stock Exchange calculated over 30 (thirty) trading days preceding the date of adoption of this Resolution by the Ordinary General Meeting, discounted by 5% – in case of attainment of the goal specified in § 5 section 1 items s-i or iii of the Resolution – i.e. 371.06 (three hundred and seventy one and 06/100). PLN, with regard to Entitlements assigned for the attainment of the aforementioned goal (both prices will hereinafter be referred to as “**Base Entitlement Prices**”);
 - ii. with regard to Subscription Warrants assigned to Entitled Parties on the basis of resolutions adopted by the Management Board or Supervisory Board pursuant to § 2 sections 2 or 4 of the Resolution after September October 31⁰, 2020 – the closing price of Company stock on the Warsaw Stock Exchange on the day immediately preceding the date of adoption of the given resolution by the Management Board or Supervisory Board:
 - a. in case of attainment of the goals s specified in § 5 section 1 item i or ii of the Resolution, or
 - b. discounted by 5% (five percent) in case of attainment of the goals s specified in § 5 section 1 item s-i and iii of the Resolution, with regard to Entitlements assigned for the attainment of the aforementioned goal.

The abovementioned prices may not be lower than the Base Entitlement Prices as defined for each goal. In all circumstances the issue price of Series N shares must not be lower than the nominal value of Company shares.
4. Should implementation of the Incentive Program involve a reduction in the quantity of Entitlements assigned to the given Entitled Person while simultaneously lowering the issue price of Series N shares to match the

nominal value of Company shares, the following formula will apply (with fractional results rounded down to the nearest whole number):

$$L_N = C \times (B-A) / B$$

where:

L_N – new quantity of Subscription Warrants which the Entitled Party may claim at an issue price equivalent to the nominal value of Company shares;

A – the issue price of Series N shares calculated according to section 4 above, which the Entitled Person holding Subscription Warrants is entitled to purchase under the Incentive Program;

B – market value of Company shares corresponding to the closing price of Company stock on the Warsaw Stock Exchange on the trading day immediately preceding the submission of the herein expressed Entitlement exercise offer to the Entitled Party by the Company (this will hereinafter be referred to as “**Market Price**”);

C – quantity of Subscription Warrants corresponding to the exercise of rights appertaining to the Entitled Party under the Incentive Program.

Note that the issue price of Series N shares may be determined in the way specified above if the Market Price is lower or equal to the value of variable A in the formula.

§ 6

Series N shares are eligible for dividend payments for the given financial year under the following conditions:

1. If Series N shares are initially deposited in the securities account or collective account between the beginning of the financial year and the dividend date specified according to Art. 348 § 2 of the Commercial Companies Code inclusive, these shares shall be eligible to participate in profit sharing starting on the first day of the financial year preceding the year during which they were assigned;
2. If Series N shares are initially deposited in the securities account or collective account after the dividend date specified according to Art. 348 § 2 of the Commercial Companies Code and before the end of the corresponding financial year, these shares shall be eligible to participate in profit sharing starting on the first day of the financial year during which they were assigned.

§ 7

1. The Company shall apply for Series N shares of the Company to be admitted to trading on the regulated market of the Warsaw Stock Exchange pursuant to the applicable legislation and regulations governing admission of shares to trading on the Warsaw Stock Exchange. Admission of Series N shares to trading on the regulated market of the Warsaw Stock Exchange should, as a rule, take place without the need to prepare and publish the prospectus described in Art. 1 section 5 item b) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC with EEA relevance, as long as these requirements specified therein can be fulfilled in accordance with the law applicable on the date of admission of Company shares to trading on the regulated market.

2. The Management Board of the Company is hereby authorized to:

- a. undertake any factual and legal activities related to admission and introduction of Series N shares to trading on the Warsaw Stock Exchange,
- b. conclude an agreement with the Central Securities Repository of Poland concerning registration of Subscription Warrants and Series N shares in the securities repository maintained by CSRP.

3. The Management Board of the Company is hereby authorized, with the approval of the Supervisory Board, to define specific conditions governing the issue of Series N shares. These conditions should, at a minimum,

specify the contents of the Series N share claim form. The Management Board is also authorized to undertake any other factual and legal activities required to facilitate implementation of this Resolution.

§ 8

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

- „1. The conditional share capital of the Company shall not exceed 10,000,000 (ten million) PLN, divided into not more than 6,000,000 (six million) Series M ordinary bearer shares with a nominal value of 1 (one) PLN each and not more than 4,000,000 (four million) Series N 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 M shares by holders of Subscription Warrants issued by the Company under resolution No. 21 of the Ordinary General Meeting of Shareholders of May 24, 2016 and acquisition of Series N shares by holders of Subscription Warrants issued by the Company under resolution No. 23 of the Ordinary General Meeting of Shareholders of July 28, 2020.
2. 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 October 31, 2022.
3. The right to acquire Series N shares appertains to holders of Subscription Warrants issued in series identified by successive letters of the alphabet, beginning with “C”. The right to acquire Series N shares may be exercised within three years following initial deposition of individual Subscription Warrants in a securities account or collective account; however, not later than on September 22, [-] 2030.”

§ 9

The Supervisory Board is hereby authorized to collate the consolidated text of the Company Articles incorporating the amendments introduced by § 8 of this Resolution.

§ 10

The Resolution enters into force on the date of its adoption except for the amendment to Company Articles introduced by § 8, which will enter into force on the date of its registration by the appropriate court.