

CD PROJEKT S.A. Remuneration Policy („Remuneration Policy”)

CD PROJEKT S.A. with a registered office in Warsaw (hereinafter referred to as “**Company**”), together with its capital group (hereinafter referred to as “**Group**”) is active on the international digital entertainment market and competes for access to human talent. The Remuneration Policy expressed herein should be regarded as a component of the overall employment and remuneration policy in force at the Group, whose primary goal is to attract, retain and motivate personnel whose skills and experience are regarded as required for further dynamic growth of the Group. In instituting this Remuneration Policy we apply our existing remuneration philosophy, which is based on the following principles:

- annual profit sharing – the entire team should partake in the generated profit, in line with the incentive mechanisms in force at the Group,
- participation in long-term incentive programs settled in Company stock options – employees who hold managerial positions at the Company may benefit from the achieved growth, thus fostering creation of long-term value for shareholders.

§1

Definitions and general provisions

1. Pursuant to Art. 90d section 1 of the Act the following Remuneration Policy is hereby instituted.
2. Whenever the Compensation Policy makes use of the following terms, their meaning should be construed as defined below.
 - a) **Act** – this is understood as the Act of July 29, 2005 on public offering and the introduction of financial instruments into organized trading, and on public companies (JL 2019 item 2217, as amended).
 - b) **General Meeting** – the General Meeting of Shareholders of the Company.
 - c) **Management Board** – the Management Board of the Company.
 - d) **Supervisory Board** – the Supervisory Board of the Company.
 - e) **Ordinary General Meeting** – the General Meeting convened in order to debate and approve the Management Board report on Company activities and the Company Financial Statement for the preceding financial year, adopt resolutions concerning allocation of profit or coverage of losses, grant discharge to members of Company bodies on the performance on their duties and adopt the resolution specified in Art. 90g section 6 of the Act.
 - f) **Articles** – the Company’s Articles of Association.
 - g) **Involved Party** – a member of the Management Board or a member of the Supervisory Board.
 - h) **Legal Basis for Employment** – a contract of employment, managerial contract, contract of mandate, appointment resolution or any other similar legal link between the Company and a member of the Management Board.
 - i) **Report** – the remuneration report compiled by the Supervisory Board in accordance with Art. 90g of the Act.
 - j) **Financial Statement** – the consolidated financial statement of the Company or the Group prepared in accordance with the Accounting Act of September 29, 1994 (JL 2019, item 1680, as amended) and approved by the Ordinary General Meeting.

3. The Remuneration Policy governs the remuneration of Involved Parties.
4. The Company shall not disburse any remuneration to an Involved Party except as provided for by the Remuneration Policy.
5. The Company disseminates the Remuneration Policy in accordance with provisions defined in the Act.
6. In matters governed by the Remuneration Policy, the Remuneration Policy takes precedence over any other Company by-laws concerning remuneration of Involved Parties.
7. Without prejudice to the Remuneration Policy, an Involved Party is mandated to observe the provisions of any applicable contracts and other Company by-laws which concern remuneration.
8. The Remuneration Policy aims to further the Group's growth strategy, its long-term interests and the stability of the Company (hereinafter referred to as "**Strategy**"). In accordance with the general directions charted by the Strategy, the Company defines short- and long-term growth goals, including market goals, result goals and loyalty goals (hereinafter collectively referred to as "**Goals**"), whose attainment may affect the remuneration of Involved Parties.
9. Rules concerning remuneration of Involved Parties defined in the Remuneration Policy contribute to implementation of the Strategy and the Goals by:
 - a) ensuring strong involvement of an Involved Party in Company matters,
 - b) providing an incentive for an Involved Party to implement the Strategy and the Goals,
 - c) forge long-term links between the Involved Party and the Company,
 - d) ensuring that the remuneration of the Involved Party remains in step with the financial and business achievements of the Group, including those of the Company,
 - e) deterring Involved Parties from taking unacceptable risks in the performance of their duties.
10. When determining the remuneration of an Involved Party, objective criteria are taken into account, including the following:
 - a) scope of professional responsibility associated with the given position, and the qualifications and experience of the Involved Party,
 - b) market standards regarding the expected remuneration of persons appointed to similar positions, or groups of positions,
11. The Remuneration Policy acknowledges the employment and remuneration conditions of Company employees other than Involved Parties by ensuring that the remuneration of Involved Parties remains justified given the scope of professional responsibility associated with their duties at the Company. In particular, the Remuneration Policy serves to ensure that remuneration reflects increased risks associated with performing certain duties at the Company, as well as the potential consequences of materialization of such risks for the Company and for the Involved Party.
12. In order to avoid conflicts of interests which may arise in conjunction with the Remuneration Policy, the competences associated with adoption, enforcement and verification of the Remuneration Policy are distributed among various bodies of the Company. Involved Parties are obligated to notify the Company of any conflict of interest which has arisen, or may arise, between themselves and the Company. Involved Parties should recuse themselves from taking part in debates and voting on resolutions in matters related to the Remuneration Policy whenever a conflict of interest arises or may arise. A conflict of interest is assumed to exist whenever a given decision by an Involved Party may – even potentially – have a significant impact on both the Company and the Involved Party, and both types of impact are of a contradictory character, i.e. an improvement in the Company's standing is associated with deterioration of the Involved Party's standing or *vice versa*. In particular, a conflict of interest exists when:

- a) the Involved Party may obtain benefits or avoid losses in terms of their remuneration as long as the Company incurs a loss, or
- b) the material interests of the Involved Party, expressed in terms of their remuneration or means of its assignment, contradict the Company's interests.

§2

Adoption and application of the Remuneration Policy

1. The Remuneration Policy is adopted by the General Meeting at least once every four years.
2. In case of amendments to the Remuneration Policy, the amended Remuneration Policy shall contain a description of material changes introduced in relation to the previous edition, and the means by which the amended Remuneration Policy reflects the contents of the resolution which provides an assessment of the Report.
3. If the General Meeting has authorized the Supervisory Board to describe aspects of the Remuneration Policy in further detail, pursuant to the Act, the relevant sections are amended by the Supervisory Board. In all other circumstances the right to introduce amendments is reserved to the General Meeting.
4. The Management Board:
 - a) assumes responsibility for implementation of the Remuneration Policy and any associated documentation,
 - b) provides information to the Supervisory Board insofar as is necessary to ensure verification of the Remuneration Policy and its implementation, in particular with respect to data covered by the Report, pursuant to § 9 of the Remuneration Policy.
5. In the scope of enactment and implementation of the Remuneration Policy the tasks of the Supervisory Board include:
 - a) submission to the General Meeting of recommendations concerning the effectiveness of the provisions contained in the Remuneration Policy and any potential amendments thereto,
 - b) authoring certain aspects of the Remuneration Policy as authorized by the General Meeting.

§3

Verification of the Remuneration Policy

1. Verification of the Remuneration Policy and its implementation is carried out by the Supervisory Board which performs, at least once per year, a comprehensive review of the Remuneration Policy and determines whether it meets its stated goals and provisions. Following a review of the Remuneration Policy the Supervisory Board may submit to the General Meeting recommendations concerning its implementation or suggested amendments.

§4

Remuneration of Management Board members

1. The remuneration of a Management Board member shall include a fixed part, comprising their base salary (hereinafter referred to as "**Fixed Remuneration**"). Fixed Remuneration is calculated individually for each Management Board member by the Supervisory Board, and is expressed in the Legal Basis for Employment or in a separate resolution consistent with the provisions of the Remuneration Policy and in line with the responsibilities of the given Management Board member.
2. Notwithstanding the Fixed Remuneration, a Management Board member should also be entitled to variable remuneration whose assignment and amount are not guaranteed (this is hereinafter referred to as "**Variable Remuneration**"). The amount of assigned Variable Remuneration is contingent upon meeting certain financial or other criteria.

3. Variable Remuneration is assigned on an individual basis to each member of the Management Board.
4. Variable Remuneration may include the right to:
 - a) claim subscription warrants which incorporate the right to purchase Company shares or purchase Company shares in the framework of a long-term incentive program introduced by way of a separate General Meeting resolution, or
 - b) participate in an incentive scheme which entails monetary compensation which is directly dependent on the financial result posted by the Company, the Group or the segment for which the given Management Board member is directly responsible.

(The components of Variable Remuneration identified in items a) and b) above will hereinafter be collectively referred to as “**Entitlements**”).

5. Notwithstanding the Entitlements, Variable Remuneration may also be assigned in the form of a bonus for the performance of certain tasks or achievement of managerial goals (this is hereinafter referred to as “**Bonus**”).
6. In determining the amounts and conditions of assignment of remuneration to members of the Management Board the Supervisory Board applies the following specific elements of the Remuneration Policy:
 - a) a description of individual components of Fixed Remuneration and Variable Remuneration, as well as of any non-monetary benefits which may be assigned to Management Board members (this is hereinafter referred to as “**Description**”),
 - b) a clear, comprehensive and diverse set of criteria governing the financial and non-monetary conditions of assignment of Variable Remuneration (this is hereinafter referred to as “**Criteria**”),
 - c) delay periods applicable to disbursement of Variable Remuneration,
 - d) conditions under which the Company may demand reimbursement of Variable Remuneration,
 - e) general rules applicable to assignment of Variable Remuneration to Management Board members.
7. The Criteria shall, among others, include attainment of Goals.
8. The Criteria should be defined in a way which balances the incentivization of achieving personal goals by Management Board members with implementation of the Goals and the Strategy, with particular deference to the interests of the Group, including the Company.
9. The Description may provide for both monetary and non-monetary compensation of Management Board members in the context of Variable Remuneration.
10. The Description shall specify components of Variable Remuneration in a way which is balanced and acknowledges the financial condition of the Company.
11. If the assignment or exercise of Variable Remuneration is contingent upon meeting predefined Criteria, the Supervisory Board, acting on request of the President of the Management Board or another authorized representative, shall adopt a resolution which confirms that the given member of the Management Board has acquired the right to claim Variable Remuneration and specifies the corresponding amount. Any Variable Remuneration whose assignment and amount are at the sole discretion of the Supervisory Board, shall, in each case be determined on an individual basis by way of a Supervisory Board resolution.
12. Unless the rules governing the assignment of Variable Remuneration specify otherwise, Variable Remuneration may be assigned as a result of the performance of certain tasks during the course of an evaluation period which is instituted to determine whether the given Management Board member meets the Criteria (this is hereinafter referred to as “**Evaluation Period**”). In such circumstances confirmation of attainment of the Criteria and determination

of the amount of Variable Remuneration for the Evaluation Period may occur only after the close of the Evaluation Period.

13. Verification of financial Criteria is based on data derived from the Financial Statement.
14. Verification of non-monetary Criteria entails procurement of information which describes, in terms of performance indicators, whether the given task has been performed and enables the Management Board member's performance in fulfilling the Criteria to be objectively assessed.
15. The ratio between Variable Remuneration assigned during a given year and the corresponding Fixed Remuneration for the same financial year should not exceed 10:1. This ratio may, however, be increased if Entitlements are assigned or exercised. In such cases the ratio between Fixed Remuneration and Variable Remuneration for the given financial year should account for the outcomes of economic activity carried out by the Company or the Group, attainment of Goals and increase in the price of Company shares on the Warsaw Stock Exchange throughout the corresponding period.
16. The incentive program may specify periods for which Variable Remuneration may be assigned in the form of financial instruments. In such cases:
 - a) the incentive program or its terms and conditions should clearly define the conditions applicable to such a program,
 - b) the incentive program should be structured in such a way as to foster growth of the profitability of the Company and its Group, and facilitate implementation of its Strategy.

§5

Remuneration of Supervisory Board members

1. Members of the Supervisory Board perform their duties on the basis of appointments and are eligible for remuneration in this context.
2. The remuneration of a Supervisory Board member is not tied to the Company's financial results.
3. The remuneration of a Supervisory Board member shall not assume the form of financial instruments or other non-monetary benefits, except for circumstances where the right to claim financial instruments or other non-monetary benefits had been assigned prior to the given member's appointment to the Supervisory Board and vests during that person's tenure as a member of the Supervisory Board.
4. The remuneration due to a member of the Supervisory Board is determined by the General Meeting by way of a resolution, except for Supervisory Board members who have been delegated to discharge the duties of Management Board members in temporary capacity, where the corresponding remuneration is determined by the Supervisory Board by way of a resolution.
5. The aforementioned General Meeting resolution may specify that a member of the Supervisory Board is eligible for a fixed monthly salary irrespective of the number of meetings in which that member has taken part.
6. As an alternative to the provisions expressed in section 5 above, the aforementioned General Meeting resolution may specify that a member of the Supervisory Board is eligible for specific remuneration for each meeting of the Supervisory Board in which that member has taken part.
7. The remuneration of Supervisory Board members should reflect their assigned responsibilities and functions, particularly as concerns participation of the given Supervisory Board members in committees and being delegated to singlehandedly discharge certain supervisory duties.
8. If a member of the Supervisory Board performs specific duties, for example chairing the Supervisory Board or one of its committees, then, given that member's increased workload, their remuneration may be increased in comparison to the provisions of section 4 above.

9. The Company may provide Supervisory Boards members with corporate insurance associated with their duties as members of the Supervisory Board.
10. If remuneration is determined in accordance with section 5 above and a Supervisory Board member has been appointed or dismissed during a given calendar month, their remuneration for that month is calculated in proportion to the number of days during which they served as members of the Supervisory Board.

§6

Variable Remuneration of an exceptional character

The Company does not provide individual pension and retirement benefits to Involved Parties and does not enroll them in early retirement programs.

§7

Persistence of the Legal Basis for Employment

1. Involved Parties discharge their duties on the basis of appointments. The rules governing appointment and dismissal of Involved Parties are defined in the Articles.
2. Members of the Management Board are appointed by the Supervisory Board for a joint four-year term unless the Articles specify otherwise.
3. Members of the Supervisory Board are appointed by the General Meeting for a joint four-year term unless the Articles specify otherwise.
4. Involved Parties are eligible for remuneration for the period which begins on the day of assumption of duties at the Company and ends concurrently with their tenure. An Involved Party who has been suspended in their duties is not eligible for remuneration during the suspension period.

§8

Repudiation of the Remuneration Policy

1. If deemed necessary to achieve the long-term interests and ensure stability or profitability of the Company, the Company may temporarily repudiate the Remuneration Policy with respect to certain Involved Parties (this is hereinafter referred to as “**Repudiation**”).
2. The decision to institute Repudiation is issued by the Supervisory Board in the form of a resolution.
3. Factors which justify Repudiation include, in particular, matters related to implementation of the Strategy and Goals, along with any activities whose non-performance might negatively affect the Company’s ability to discharge its liabilities.
4. A motion to institute Repudiation may be filed by the Management Board. The motion should be accompanied by justification of the proposed Repudiation.
5. A resolution which institutes Repudiation shall specify, among others:
 - a) the duration of the Repudiation,
 - b) elements of the Remuneration Policy to which the Repudiation applies,
 - c) a justification of the necessity to institute Repudiation.
6. Each case of Repudiation shall be described in the Report along with the information specified in section 5 above.

§9

Report

1. Each Report covers a single financial year.
2. The Report is prepared by the Supervisory Board in a timely manner so that the agenda of the Ordinary General Meeting may include an item concerning endorsement of the Report and submission of the Report to an audit.
3. The Company shall disseminate the Report as directed by the Act.
4. The General Meeting adopts an advisory resolution concerning endorsement of the Report.
5. A mandatory audit of the Report is performed in the framework of auditing the Company’s Financial Statement. The Management Board shall ensure that the contract covering the audit of the annual Financial Statement also covers the audit of the Report.

§10

Closing provisions

The Remuneration Policy enters into force on the day of its adoption by the appropriate Company bodies unless the resolution concerning institution of the Remuneration Policy specifies a different time of its entry into force.

Resolution no. 1

of 27 August 2020

of the Supervisory Board of CD PROJEKT S.A.

concerning institution of the remuneration policy at CD PROJEKT S.A.

Acting on the basis of the authorization granted by the General Meeting of the Company as expressed in Resolution no. 19 of the Ordinary General Meeting of CD PROJEKT S.A. headquartered in Warsaw (hereinafter referred to as “**the Company**”) of 28 July 2020 concerning adoption of a remuneration policy for members of the Company Management Board and Supervisory Board (hereinafter referred to as “**the Remuneration Policy**” and “**the Resolution**” as appropriate) under Art. 90d section 7 of the Act on Public Offerings (JL 2019 item 2217, as amended) to develop certain aspects of the Remuneration Policy in further detail, the Supervisory Board hereby decides the following:

§1

General provisions

1. The following elements of the Remuneration Policy are hereby defined within the bounds expressed in the Resolution:
 - a) description of the components of Variable Remuneration,
 - b) the Criteria,
 - c) delay periods applicable to disbursement of Variable Remuneration,
 - d) vesting periods applicable to Variable Remuneration assigned in the form of financial instruments and conditions governing the sale of such instruments,
 - e) conditions under which the Company may demand reimbursement of variable remuneration from Management Board members,
 - f) non-monetary benefits which may be assigned to Management Board members as part of their Fixed Remuneration (hereinafter referred to as “**Additional Benefits**”).
2. Terms which are capitalized in this document should be construed in accordance with their respective definitions contained in the Resolution.

§2

Entitlements

1. Detailed Criteria as well as conditions regarding assignment and vesting of Entitlements are expressed in documents which provide a formal basis for the introduction of the given Entitlement

- in compliance with all applicable regulations, particularly those contained in regulations and resolutions concerning incentive programs.
2. The vesting criteria applicable to Entitlements may be either financial or non-financial in scope.
 3. Financial vesting criteria applicable to Entitlements are defined as follows:
 - a) attainment of the market goal which relates to changes in the price of Company stock on the Warsaw Stock Exchange;
 - b) attainment of the result goal which relates to earnings posted by the Company, the Group or an activity segment of the Group for the given period;
 4. Non-financial vesting criteria applicable to Entitlements are defined as employment or appointment by the Company or the Group on the basis of an employment contract or any other contract which regulates performance of work, rendition of services or delivery of goods in exchange for remuneration or monetary benefits from the Company or any member company of the Group in the given period.
 5. Assignment of Entitlements and vesting thereof are dependent on positive verification of the attainment of Criteria by the Supervisory Board, which must take on the form of a resolution attesting the assignment of an Entitlement and specifying its value.

§3

Bonuses

1. The Supervisory Board may adopt a resolution which assigns to a member of the Management Board a Bonus for achieving the assignment conditions of Variable Remuneration by performing a certain task (hereinafter referred to as “**the Task**”). The aforementioned resolution should also specify the value of the Bonus and any other conditions applicable thereto.
2. A Task is understood as a process which causes or brings about the following:
 - a. efficient management of environmental issues related to the Company’s operations, including by:
 - management of identified environmental risks or potential environmental risks related to the Company’s operations,
 - undertaking actions which mitigate the environmental damage caused by the Company, including notifying the appropriate authorities when such damage arises,
 - acting to minimize emissions, efficiently manage resources, promote recycling, replace or reduce reliance on environmentally harmful substances in the scope of the Company’s activities.
 - b. efficient management of the Company in a socially conscious manner, including by:
 - contributing to sustainable development of the Company in a way which acknowledges the health and well-being of its employees,
 - ensuring compliance with corporate governance rules applicable to WSE listed companies,
 - undertaking activities in the scope of extending support to local institutions and individual persons, cooperation with local organizations and supporting social programs targeted at children and adolescents.
 - c. accomplishing managerial objectives (hereinafter referred to as “**MBO**”) defined by the Supervisory Board.

3. For each MBO, its expected outcome is defined along with the following (as appropriate): assessment criteria, objective weight, implementation deadline and assessment deadline.
4. Bonuses for carrying out Tasks are assigned once accomplishment of a given Task has been verified, along with the occurrence of the outcome defined in section 2 (above). The aforementioned verification involves acquisition of data which reflects attainment of objective performance indicators accompanying the Task, enabling the Management Board member's efficiency in the scope of carrying out the Task to be assessed. In addition, verification of accomplishment of a given MBO by a Management Board member also involves the parameters listed in section 3 (above).

§4

Delay periods

1. A delay period is defined as the period during which Variable Remuneration is withheld following the end of the period during which the Management Board member's performance is assessed and verified for the purposes of assigning an Entitlement (this is hereinafter referred to as "**the Delay Period**"). The length of the Delay Period is determined as part of the conditions regulating assignment of Variable Remuneration.
2. If the conditions regulating assignment of Variable Remuneration do not specify a Delay Period, the corresponding Variable Remuneration may be remitted to the Management Board member without applying a Delay Period.

§5

Assessment period and restriction of sale

1. The assessment period is the period during which eligibility to receive Variable Remuneration arises (this is hereinafter referred to as "**the Assessment Period**").
2. For Entitlements assigned in the form of financial instruments, the shortest possible Assessment Period is the Company's fiscal year.
3. If the conditions regulating assignment of Variable Remuneration do not specify an Assessment Period, the given Management Board member becomes eligible to receive Variable Remuneration for the period indicated in the corresponding Supervisory Board resolution.
4. An incentive program which regulates introduction of Entitlements in the form of financial instruments may also introduce restrictions affecting the sale of such instruments.

§6

Reimbursement of Variable Remuneration

Disbursed Variable Remuneration is subject to reimbursement if either of the following occurs:

- a) The Variable Remuneration was assigned on the basis of erroneous information regarding the achievement of the applicable criteria by the Management Board member, for which that Management Board member is culpable;
- b) The Variable Remuneration was assigned in breach of the rules defined in the Remuneration Policy or assignment criteria of Variable Remuneration.

§7

Additional Benefits

The Company may provide a Management Board member with the following Additional Benefits during that person's tenure as member of the Company's official bodies:

- a) use of a company car, as regulated by Company by-laws,
- b) reimbursement of private healthcare costs incurred by the Management Board member with a private healthcare provider in the framework of a collective contract concluded by the Company with a selected private healthcare provider,
- c) reimbursement of sports and fitness program costs in the framework of a collective contract concluded by the Company with a selected entity,
- d) insurance related to the Management Board member's official duties,
- e) access to other benefits provided by the Company to all of its employees.

§ 8

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