

## **ARTICLES OF ASSOCIATION – consolidated text**

### **I. GENERAL PROVISIONS**

#### **§ 1.**

The Company conducts operations under the name CD PROJEKT Spółka Akcyjna and may also use the name CD PROJEKT S.A.

#### **§ 2.**

The Company's registered office is located in Warsaw.

#### **§ 3.**

The Company conducts operations throughout the Republic of Poland and beyond its borders.

#### **§ 4.**

In the area of its operations the Company may establish branches, affiliated units, institutions, offices and other organizational units, and it may also become part of other companies.

#### **§ 5.**

1. The Company engages in the following activities:
  - PKD 18.20.Z – Reproduction of recorded media
  - PKD 32.40.Z – Manufacture of games and toys
  - PKD 46.51.Z – Wholesale of computers, peripheral equipment and software
  - PKD 47.41.Z – Retail sale of computers, peripheral units and software in specialized stores
  - PKD 47.91.Z – Retail sale via mail order houses or via the Internet
  - PKD 58.21.Z – Publishing of computer games
  - PKD 58.29.Z – Other software publishing
  - PKD 59.11.Z – Motion picture, video and television programme production activities
  - PKD 59.12.Z – Motion picture, video and television programme post-production activities
  - PKD 59.13.Z – Motion picture, video and television programme distribution activities
  - PKD 59.20.Z – Sound recording and music publishing activities
  - PKD 62.01.Z – Computer programming activities
  - PKD 62.02.Z – Computer consultancy activities
  - PKD 62.03.Z – Computer facilities management activities
  - PKD 62.09.Z – Other information technology and computer service activities
  - PKD 63.11.Z – Data processing, hosting and related activities
  - PKD 63.12.Z – Web portals
  - PKD 68.10.Z – Buying and selling of own real estate
  - PKD 68.20.Z – Rental and operating of own or leased real estate
  - PKD 70.22.Z – Business and other management consultancy activities
  - PKD 72.19.Z – Other research and experimental development on natural sciences and engineering
  - PKD 74.90.Z – Other professional, scientific and technical activities not elsewhere classified
  - PKD 77.40.Z – Leasing of intellectual property and similar products, except copyrighted works
  - PKD 82.99.Z – Other business support service activities not elsewhere classified
  - PKD 85.60.Z – Educational support activities

PKD 94.99.Z – Activities of other membership organizations not elsewhere classified

2. Should a resolution concerning a material change in the Company's business profile be adopted by a two-thirds majority in the presence of persons representing at least half of the Company's share capital, the corresponding change in the Company's business profile becomes effective without redemption of shares held by shareholders who oppose the change.

**§ 6.**

1. The Company is entitled to issue bonds, including convertible bonds and bonds with priority rights.
2. Specific conditions governing issue of securities are determined by the Management Board and approved by the Supervisory Board.
3. Any issue of convertible bonds or bonds with priority rights requires General Meeting approval in the form of a resolution.

**II. SHARE CAPITAL**

**§ 7.**

1. The Company's share capital shall amount to 100,738,800 (one hundred million seven hundred thirty-eight thousand eight hundred) PLN, divided into 100,738,800 shares with a nominal value of 1.00 (one) PLN per share, including:
  - 1) 500,000 (five hundred thousand) series A bearer shares,
  - 2) 2,000,000 (two million) series B bearer shares,
  - 3) 6,884,108 (six million eight hundred and eighty-four thousand one hundred and eight) series C bearer shares,
  - 4) 18,768,216 (eighteen million seven hundred and sixty-eight thousand two hundred and sixteen) series C1 bearer shares,
  - 5) 35,000,000 (thirty-five million) series D registered shares,
  - 6) 6,847,676 (six million eight hundred and forty-seven thousand six hundred and seventy-six) series E bearer shares,
  - 7) 3,500,000 (three million five hundred thousand) series F bearer shares,
  - 8) 887,200 (eight hundred and eighty-seven thousand two hundred) series G bearer shares,
  - 9) 3,450,000 (three million four hundred and fifty thousand) series H bearer shares,
  - 10) 7,112,800 (seven million one hundred and twelve thousand eight hundred) series I bearer shares,
  - 11) 5,000,000 (five million) series J ordinary shares,
  - 12) 5,000,000 (five million) series K ordinary shares.
  - 13) 1,170,000 (one million one hundred and seventy thousand) series L ordinary shares.
  - 14) 4,618,800 (four million six hundred eighteen thousand eight hundred) series M ordinary shares.
2. The Company's share capital may be increased by increasing the nominal value of shares or by issuing new shares. Increases in share capital via transfer of funds from the supplementary capital to the share capital are allowed.
3. The Company may issue bearer shares or registered shares.
4. Bearer shares cannot be converted into registered shares.

5. Registered shares are converted into bearer shares at the time of their dematerialization, as regulated by the Act of 29 July 2005 on trade in financial instruments or by other legal acts addressing this issue.

### **§ 8**

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.**

1. Shares may be redeemed with the shareholder's consent by being purchased by the Company.
2. Conditions regulating mandatory redemption of certain series of shares are specified elsewhere in the Articles of Association.

## **III. GOVERNING BODIES OF THE COMPANY**

### **§ 10.**

The Company is governed by the following bodies:

1. Management Board,
2. Supervisory Board,
3. General Meeting of Shareholders.

### **§ 11.**

The Management Board shall consist of one or more persons, one of whom may be appointed President of the Management Board.

### **§ 12.**

1. Management Board members, including the President of the Management Board, are appointed and dismissed by the Supervisory Board. Management Board members are appointed to a joint term which begins on the date of convocation of the General Meeting which approves the financial statement for the year 2016, and lasts 4 years.
2. The Management Board acts in compliance with the Management Board Rules of Conduct instituted by way of a Management Board resolution and approved by the Supervisory Board.

Management Board resolutions require an absolute majority of votes. The President of the Management Board, if appointed, has the casting vote.

**§ 13.**

1. If the Management Board consists of a single person, that person is entitled to represent the Company singlehandedly.
2. If the Management Board consists of multiple persons, the right to represent the Company appertains to any two Management Board members acting jointly, or to any Management Board member acting together with a commercial proxy.

**§ 14.**

Supervisory Board approval, issued in the form of a resolution, is required when incurring liabilities, purchasing or selling assets worth more than 10% of the Company's equity as published in its most recent financial statement, except when such actions relate to sales of the Company's products and services.

**§ 15.**

In matters related to contracts or conflicts between the Company and members of the Management Board, the right to represent the Company appertains to the Supervisory Board or to plenipotentiaries appointed by way of a General Meeting resolution.

**§ 16.**

No member of the Management Board may engage in competition with the Company without Supervisory Board approval.

**§ 17.**

The Supervisory Board shall consist of five members and act in compliance with the Supervisory Board Rules of Conduct instituted by way of a Supervisory Board resolution and specifying the organization and activities of the Supervisory Board.

**§ 18.**

1. Supervisory Board members are appointed by the General Meeting of Shareholders. The Supervisory Board appoints two of its members as President and Vice President of the Supervisory Board respectively. Supervisory Board members are appointed to a joint term which begins on the date of convocation of the General Meeting which approves the financial statement for the year 2016, and lasts 4 years.
2. Compensation of Supervisory Board members is determined by the General Meeting of Shareholders in compliance with § 21 section 2 item g.

**§ 19.**

1. Supervisory Board resolutions are valid if voted upon with prior invitation of all Supervisory Board members and undertaken in the presence of at least four Supervisory Board members.
2. Except as specified in section 3 below, Supervisory Board resolutions require an absolute majority of votes.
3. In the following matters Supervisory Board resolutions require a 4/5 majority of votes:
  - a) *repealed*
  - b) *repealed*

- c) appointment or dismissal of a Management Board member or of the President of the Management Board, suspension of a Management Board member or delegation of a Supervisory Board member to act as a Management Board member in temporary capacity;
- d) contracts or conflicts between the Company and a Management Board member;
- e) approval of conditions governing the issue of bonds;
- f) establishing conditions governing an increase in the Company's share capital.

#### **§ 20.**

1. Either the Management Board or any member of the Supervisory Board may demand the convocation of a session of the Supervisory Board and submit a draft agenda. The demand must be submitted to the President of the Supervisory Board. The session is convened by the President of the Supervisory Board, or, when the President is absent – by the Vice President of the Supervisory Board, no later than two weeks following submission of the corresponding demand.
2. Supervisory Board members may cast their votes remotely by submitting a written voting instruction to another Supervisory Board member. Remote voting is not allowed in matters added to the agenda during the Supervisory Board session.
3. The Supervisory Board may approve resolutions in writing or using electronic remote communication tools.

#### **§ 21.**

1. The Supervisory Board continuously oversees Company operations in all of its areas of activity.
2. Specific duties of the Supervisory Board include:
  - a) empowerment of the Management Board to purchase or sell rights or shares in freehold or perpetual usufruct of real estate. These matters do not require by the General Meeting of Shareholders;
  - b) approval of the establishment of Company branches;
  - c) appointment of licensed auditors to perform audits of annual financial statements;
  - d) approval of the Company budget and financial forecasts for successive financial years, as submitted by the Management Board;
  - e) issuing opinions in matters submitted to the General Meeting of Shareholders by the Management Board;
  - f) compilation of the consolidated text of the amended Articles of Association;
  - g) deciding upon compensation of Supervisory Board members delegated to act as Management Board members in temporary capacity.
3. The Audit Committee is a permanent committee of the Supervisory Board when the Supervisory Board consists of more than five persons. If the Supervisory Board consists of not more than five persons, the duties of the Audit Committee, as specified by the Act of 7 May 2009 on certified auditors and their self-government, entities authorized to audit financial statements and public supervision, are discharged by the full Supervisory Board unless the Supervisory Board adopts a resolution declaring otherwise.

#### **§ 22.**

Between Supervisory Board sessions the Supervisory Board is represented by its President, or, in case of the President's prolonged absence, by the Vice President.

### **§ 23.**

The General Meeting of Shareholders may be Ordinary or Extraordinary.

### **§ 24.**

An Ordinary General Meeting of Shareholders is convened within six months following the end of each financial year.

### **§ 25.**

General Meeting resolutions require a 3/5 majority of votes, except in matters where the applicable legal regulations require a higher qualified majority of votes.

### **§ 25a.**

1. Except as specified in §25b, the voting rights of each Company Shareholder (defined in section 2 below) are restricted in such a way that no single Shareholder may exercise more than 20% of the total number of votes afforded by Company shares on the date of the General Meeting.
2. For the purposes of §25a and §25b, a Company shareholder (hereafter referred to as “the Shareholder”, or, collectively, as “the Shareholders”) is defined as any party which (i) holds shares of Company stock, or (ii) is authorized to cast votes at the General Meeting on any legal grounds, even when such a party does not directly hold shares of Company stock and instead acts in the capacity of:
  - a) a plenipotentiary;
  - b) an usufructee or pledgee;
  - c) a holder of a depositary receipt pursuant to the provisions of the Act on the Trade in Financial Instruments of 29 July 2005 (Journal of Laws, 2014, item 94 with subsequent changes);
  - d) a party to which the right to cast votes has been delegated;
  - e) a holder of any other relevant legal title.
3. If a party controls two or more batches of votes under different legal titles, the votes controlled by the Shareholder are cumulated.
4. If the cumulative total specified in section 3 above exceeds the 20% of the total number of votes at the General Meeting, these votes are subject to reduction as specified in section 8 below.
5. Regardless of the conditions specified above, entities between whom a relation of domination or dependence exists, pursuant to section 6 below, are deemed to constitute a group (hereafter referred to as “the Group”) and their votes are cumulated. If the cumulative total specified in this section exceeds the 20% of the total number of votes at the General Meeting, these votes are subject to reduction as specified in section 8 below.
6. A Group is assumed to exist when:
  - a) one of the parties involved is the parent company of the remaining parties, or (ii) the Shareholder is the parent company of the remaining parties pursuant to the provisions of the Commercial Company Code (Journal of Laws, 2016, item 1578, unified text);
  - b) (i) one of the parties involved has the status of the dominant undertaking with regard to the remaining parties, or (ii) the parties involved are simultaneously the dominant and dependent undertakings with regard to one another, pursuant to the provisions of the Anti-Trust and Consumer Protection Act of 16 February 2007 (Journal of Laws, 2015, item 184 with subsequent changes);

- c) one of the parties involved is (i) the parent entity, (ii) a higher-order parent entity, (iii) a subsidiary, (iv) a lower-order subsidiary or (v) both the parent entity (of arbitrary order) and a subsidiary (of arbitrary order, including partially owned subsidiaries) of the remaining parties, pursuant to the provisions of the Accounting Act of 29 September 1994 (Journal of Laws, 2016, item 1047);
  - d) one of the parties involved is either (i) the parent entity or (ii) a subsidiary of one of the remaining parties pursuant to the provisions of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 (hereafter referred to as “the Offerings Act”) (Journal of Laws, 2016, item 1639, unified text).
7. If a dominance or dependence relation between any two Shareholders (as defined in section 2 above) exists (as defined in section 5 above), these Shareholders are automatically deemed to constitute a Group and their votes are subjected to cumulation. When, as a result of this cumulation, the number of votes controlled by the Group exceeds 20% of the total number of votes, these votes are subject to reduction as specified in section 8 below.
  8. Reduction of votes is defined as a decrease in the aggregate number of votes appertaining to a Shareholder or Shareholders (regardless of whether they belong to a Group or are subject to cumulation based on the abovementioned rules) at the General Meeting in such a way that:
    - a) the number of votes appertaining to the shareholder who controlled the greatest number of votes prior to cumulation is decreased, except as specified in item d) below, by the difference between the number of votes originally controlled and 20% of the total number of votes.
    - b) if, despite the reduction specified in item a) above, the aggregate number of votes appertaining to parties whose votes are subject to cumulation continues to exceed 20% of the total number of votes, except as specified in item d) below, the votes of additional parties are reduced in the order determined by the number of votes controlled prior to reduction (greatest to smallest). This procedure is repeated until the cumulated votes constitute not more than 20% of the total number of votes;
    - c) when two or more parties control the same number of votes subject to cumulation, reduction is carried out proportionally with fractional votes rounded down.
    - d) in all circumstances each party whose votes are subject to reduction in accordance with items a) – c) above retains the right to cast at least a single vote.
  9. Each Shareholder intending to take part in the General Meeting, whether directly or through a plenipotentiary, is obligated to provide an unsolicited written notice to the Management Board not later than 7 days before the convocation of the General Meeting to the effect that they control, directly or indirectly, more than 20% of the total number of votes. This notice shall be deemed effectively delivered if it is received by the Management Board not later than on the deadline specified in this section.
  10. The duty specified in section 9 above also applies separately to each Shareholder belonging to a Group. The corresponding notice should list all entities or Group members whose votes are subject to cumulation along with the number of votes controlled by each member prior to reduction, as specified in section 8 above.
  11. The restriction specified in section 1 above does not apply to the duties of major shareholders as set forth in the Offerings Act.

**§ 25b.**

1. The voting restriction specified in §25a section 1 above shall not apply to parties controlling 50% or more than 50% of the total number of votes in the Company when the shares have been purchased by way of a public tender offer to acquire all remaining shares of the Company (hereafter referred to as “the Tender”) pursuant to Art. 74 section 1 of the Offerings Act.
2. If, following conclusion of the Tender, the party or parties who originally called the Tender control less than 50% of the total number of votes, the restriction specified in §25a section 1 above shall continue to apply to those parties.

**§ 26.**

General Meetings of Shareholders are held in Warsaw.

**IV. ACCOUNTING**

**§ 27.**

The Company’s financial statement shall be prepared by the Management Board within three months following the end of each financial year, and shall be submitted to the General Meeting for approval within three months thereafter.

**§ 28.**

1. The Company establishes the following capitals and funds:
  - share capital,
  - supplementary capital,
  - reserve capitals.
2. When mandated by General Meeting resolutions, the Company may establish targeted funds which are to be managed and consumed in accordance with the corresponding General Meeting resolutions.
3. Under Art. 396 § 1 of the Commercial Company Code, supplementary capital is created via appropriations from the annual net profit. Such appropriations must amount to at least 8% of the net profit for the given financial year.
4. The supplementary capital appropriations specified in section 3 may be abandoned when the supplementary capital reaches at least one third of the Company’s share capital.
5. Supplementary and reserve capitals are consumed in accordance with General Meeting resolutions.

**V. FINAL PROVISIONS**

**§ 29.**

The financial year is equivalent to the calendar year.

**§ 30.**

The Company shall publish any legally mandated announcements and disclosures in the Court and Commercial Gazette.