

**Documentation submitted for perusal by the Ordinary General Meeting of Shareholders of CD  
PROJEKT S.A. scheduled for 28 June 2022**

On 14 April 2021 the Company published its annual financial statement, which included, among others, the following items:

- Management Board report on CD PROJEKT Capital Group and CD PROJEKT S.A. activities in 2021;
- Financial statement of CD PROJEKT S.A. for 2021;
- Audit report concerning the financial statement of CD PROJEKT S.A. for 2021;
- Consolidated Financial Statement of the CD PROJEKT Capital Group for 2021;
- Audit report concerning the Consolidated Financial Statement of the CD PROJEKT Capital Group for 2021.

This documentation has been published on [www.cdprojekt.com](http://www.cdprojekt.com) and is also available at the Company headquarters.

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**Resolution no. 1  
of 30 May 2022**

**of the Supervisory Board of CD PROJEKT S.A.**

**concerning assessment of the Company's Financial Statement for 2021 and the Management Board's recommendation concerning allocation of net profit for 2021, and submission to the General Meeting of the outcome of the Supervisory Board's assessment of the Company's Financial Statement for 2021 and the Management Board's recommendation concerning allocation of net profit for 2021**

Acting under Art. 382 § 3 of the Commercial Companies Code, the Supervisory Board hereby decides the following:

§ 1

1. Having carried out an analysis of the Company's Financial Statement for 2021 and the corresponding audit report concerning the annual financial statement, prepared by an independent auditor, the Supervisory Board declares that the Company's Financial Statement for 2021 is materially consistent with the existing accounts and documents, as well as factually correct.
2. The Supervisory Board submits the Company's Financial Statement for 2021 to the General Meeting, along with a motion for its approval.
3. Having carried out an assessment of the Company's Financial Statement for 2021 and the Management Board recommendation concerning allocation of net profit, expressed in CD PROJEKT S.A. Management Board resolution no. 19/2022 of 25 May 2022 concerning

acceptance and submission to the Supervisory Board and the General Meeting of a recommendation with regard to allocation of net profit obtained in 2021, the Supervisory Board recommends that the net profit for 2021, in the amount of 240 113 068.92 (two hundred forty million one hundred thirteen thousand sixty-eight 92/100) PLN, discounted by the negative retained earnings from the 2020 financial year in the amount of 4 179 037.00 (four million one hundred seventy-nine thousand thirty-seven 00/100) PLN, for a total of 235 934 031.92 (two hundred thirty-five million nine hundred thirty-four thousand thirty-one 92/100) PLN be allocated as follows: (i) 100 738 800.00 (one hundred million seven hundred thirty-eight thousand eight hundred 00/100) PLN is to be divided among shareholders in the form of a dividend of 1 (one) PLN per share; (ii) the remaining net profit, i.e. 135 195 231.92 (one hundred thirty-five million one hundred ninety-five thousand two hundred thirty-one 92/100) PLN is to be reassigned to the Company's supplementary capital.

4. The Supervisory Board submits its assessment report concerning the Company's Financial Statement for 2021 and the Management Board's recommendation concerning allocation of net profit for 2021 to the General Meeting, as appended to this resolution.

## § 2

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

### ***CD PROJEKT S.A. Supervisory Board assessment report concerning the Company's Financial Statement for the 2021 financial year, along with the Management Board's recommendation concerning allocation of net profit for 2021***

#### **I. Assessment of the Financial Statement of CD PROJEKT S.A. with a registered office in Warsaw for the period between 1 January and 31 December 2021**

In the course of discharging its official duties, the Supervisory Board adopted Resolution no. 1 of 14 May 2020, selecting Grant Thornton Polska sp. z o.o. sp. k. with a registered office in Poznań as the audit firm contracted to perform an audit of the Company's financial statement for the period between 1 January and 31 December 2021.

The audit concerned the Financial Statement for the period between 1 January and 31 December 2021, prepared on 14 April 2022.

The Supervisory Board has familiarized itself with the audit report, prepared by an independent auditor concerning the Financial Statement for 2021, provided by the audit firm contracted to perform the audit.

With regard to the aforementioned financial statement, on 14 April 2021 the auditor issued an opinion declaring that the Financial Statement, which comprises numerical data and clarifications:

- presents a truthful and clear description of the material and financial standing of the Company as of 31 December 2021, along with its financial results and cash flows for the financial year ending on that date, in line with the International Accounting Standards, International Financial Reporting Standards, interpretations associated therewith as published in the relevant European Commission regulations, as well as the adopted accounting practices,
- was prepared on the basis of properly maintained accounting records,
- is formally and materially consistent with the legal requirements applicable to the Company as well as its Articles of Association.

The abovementioned opinion is consistent with the supplementary report provided to the Audit Committee on 14 April 2021.

The abovementioned outcome of the audit formed the basis for the Supervisory Board assessment of the Company's Financial Statement for 2021.

Having reviewed the audit report submitted thereto, the Supervisory Board declares that the Company's Financial Statement for 2021 is materially consistent with existing accounts and documents, as well as factually correct.

## **II. Assessment of the recommendation of the Management Board of CD PROJEKT S.A. with a registered office in Warsaw concerning allocation of net profit for 2021**

Having performed an assessment of the Company's Financial Statement for 2021 and the Management Board recommendation concerning allocation of net profit, expressed in CD PROJEKT S.A. Management Board resolution no. 19/2022 of 25 May 2022 concerning acceptance and submission to the Supervisory Board and the General Meeting of a recommendation with regard to allocation of net profit obtained in 2021, the Supervisory Board recommends that the net profit for 2021, in the amount of 240 113 068.92 (two hundred forty million one hundred thirteen thousand sixty-eight 92/100) PLN, discounted by the negative retained earnings from the 2020 financial year in the amount of 4 179 037.00 (four million one hundred seventy-nine thousand thirty-seven 00/100) PLN, for a total of 235 934 031.92 (two hundred thirty-five million nine hundred thirty-four thousand thirty-one 92/100) PLN be allocated as follows: (i) 100 738 800.00 (one hundred million seven hundred thirty-eight thousand eight hundred 00/100) PLN is to be divided among shareholders in the form of a dividend of 1 (one) PLN per share; (ii) the remaining net profit, i.e. 135 195 231.92 (one hundred thirty-five million one hundred ninety-five thousand two hundred thirty-one 92/100) PLN is to be reassigned to the Company's supplementary capital.

**Resolution no. 2**

**of 30 May 2022**

**of the Supervisory Board of CD PROJEKT S.A.**

**concerning assessment of the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. for 2021 and the Consolidated Financial Statement of the CD PROJEKT Group for 2021, and submission to the General Meeting of the outcome of the assessment of the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. for 2021 and the Consolidated Financial Statement of the CD PROJEKT Group for 2021**

Acting under Art. 382 § 3 of the Commercial Companies Code the Supervisory Board hereby decides the following:

§ 1

1. Having carried out an assessment of the Consolidated Financial Statement of the CD PROJEKT Group for 2021 and the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2021, along with the audit report concerning the annual financial statement, submitted by an independent auditor, the Supervisory Board declares that the Consolidated Financial Statement of the CD PROJEKT Group for 2021 and the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2021 are materially consistent with the existing accounts and documents, as well as factually correct.
2. The Supervisory Board submits the Consolidated Financial Statement of the CD PROJEKT Group for 2021 and the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2021 to the General Meeting along with motion for their approval.
3. The Supervisory Board submits its assessment report concerning the Consolidated Financial Statement of the CD PROJEKT Group for 2021 and the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2021 to the General Meeting, as appended to this resolution.

§ 2

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

***CD PROJEKT S.A. Supervisory Board assessment report concerning the Consolidated Financial Statement of the CD PROJEKT Group for 2021 and the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. in 2021***

In the course of discharging its official duties, the Supervisory Board adopted Resolution no. 1 of 14 May 2020, selecting Grant Thornton Polska sp. z o.o. sp. k. with a registered office in Poznań as the

audit firm contracted to perform an audit of the Consolidated Financial Statement of the CD PROJEKT Group as well as the Management Board report on the activities of the CD PROJEKT Group and CD PROJEKT S.A. for the period between 1 January 2021 and 31 December 2021.

The audit concerned the annual financial statement covering the period between 1 January and 31 December 2021, prepared on 14 April 2022.

The Management Board submitted to the Supervisory Board an audit report prepared by an independent auditor concerning the consolidated financial statement for 2021, provided by the audit firm contracted to perform the audit.

With regard to the aforementioned financial statement, on 14 April 2022 the auditor issued an opinion declaring that the financial statement, which comprises numerical data and clarifications:

- presents a truthful and clear description of the material and financial standing of the Group as of 31 December 2021, along with its financial results and cash flows for the financial year ending on that date, in line with the International Accounting Standards, International Financial Reporting Standards, interpretations associated therewith as published in the relevant European Commission regulations, as well as the adopted accounting practices,
- is formally and materially consistent with the legal requirements applicable to the Group as well as the Articles of Association of its Parent Company.

The abovementioned opinion is consistent with the supplementary report provided to the Audit Committee on 14 April 2022.

The abovementioned outcome of the audit formed the basis for the Supervisory Board assessment of the Consolidated Financial Statement of the CD PROJEKT Group for 2021.

Having reviewed the audit report submitted thereto, the Supervisory Board declares that the Consolidated Financial Statement of the CD PROJEKT Group for 2021 is materially consistent with existing accounts and documents, as well as factually correct.

Similarly, with regard to its assessment of the Management Board report on CD PROJEKT Group and CD PROJEKT S.A. activities between 1 January and 31 December 2021, the Supervisory Board availed itself of the documentation provided by the abovementioned audit firm. The Supervisory Board concurs with the auditor's opinion, issued on 14 April 2022, that this report is consistent with the applicable legal regulations as well as with information contained in the consolidated financial statement attached thereto. This is supplemented by a statement to the effect that, given the knowledge concerning the

Group and its environment gained in the course of auditing its financial statement, no significant deviations have been identified in the report on the Group's activities.

**Resolution no. 3**  
**of 30 May 2022**  
**of the Supervisory Board of CD PROJEKT S.A.**  
**concerning adoption and submission to the General Meeting of the annual report of the**  
**Supervisory Board for 2021**

Acting in compliance with Principle 2.11 of the Best Practice for WSE Listed Companies 2021, the following is hereby decided:

§ 1

1. The Supervisory Board hereby adopts the annual report of the Supervisory Board of CD PROJEKT S.A. for 2021, as appended to this resolution.
2. The Supervisory Board submits the annual report of the Supervisory Board of CD PROJEKT S.A. for 2021 to the General Meeting with a motion for its approval.

§ 2

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

**Annual report of the Supervisory Board of CD PROJEKT S.A. for 2021**

Pursuant to the requirements of the Commercial Companies Code ("CCC"), Best Practice for WSE Listed Companies 2021 ("BPWSE2021"), the Company Articles and CD PROJEKT S.A. Supervisory Board Regulations, the Supervisory Board of CD PROJEKT S.A. ("**CD PROJEKT S.A.; The Company**") hereby submits the Company Supervisory Board Report for the period between 1 January and 31 December 2021 to the General Meeting (Principle 2.11; BPWSE2021). The report comprises:

- information regarding the composition of the Supervisory Board and its committees, including the independence of Supervisory Board members, as well as information regarding the composition of the Supervisory Board in the context of diversity (Principle 2.11; BPWSE2021),
- summary of the activities of the Supervisory Board and its committees (Principle 2.11.2; BPWSE2021),
- consolidated assessment of the Company's standing, including its internal control systems, risk management, compliance and internal audit (Principle 2.11.3; BPWSE2021),

- assessment of the implementation of corporate governance principles and discharge of disclosure obligations related thereto, as mandated by the Stock Exchange Regulations and other regulations related to current and periodic information published by issuers of securities (Principle 2.11.4; BPWSE2021).

“Best Practice for WSE Listed Companies 2021” refers to a collection of corporate governance practices titled “Best Practice for WSE Listed Companies 2021” which is annexed to Resolution 13/1834/2021 of the Warsaw Stock Exchange, adopted on 29 March 2021.

### **1. Composition of the Supervisory Board in the 2021 reporting period**

During the 2021 reporting period the following people performed duties as members of the Supervisory Board:

Between 1 January and 25 May 2021:

- I) Katarzyna Szwarc – Chairwoman of the Supervisory Board; Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company;
- II) Piotr Pałowski – Deputy Chairman of the Supervisory Board; Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting the independence criteria specified in the Act of 11 May 2017 on licensed auditors, audit firms and public supervision,
- III) Maciej Nielubowicz – Secretary of the Supervisory Board,
- IV) Krzysztof Kilian – Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting the independence criteria specified in the Act of 11 May 2017 on licensed auditors, audit firms and public supervision,
- V) Michał Bień – Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting the independence criteria specified in the Act of 11 May 2017 on licensed auditors, audit firms and public supervision.

Between 25 May and 31 December 2021:

- I) Katarzyna Szwarc – Chairwoman of the Supervisory Board; Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company;

- II) Piotr Pałowski – Deputy Chairman of the Supervisory Board; Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting independence criteria,
- III) Maciej Nielubowicz – Secretary of the Supervisory Board,
- IV) Łukasz Wejchert – Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting independence criteria,
- V) Michał Bień – Supervisory Board member with no material and significant links with any shareholder controlling at least 5% of the total number of votes in the Company; meeting independence criteria.

Throughout the 2021 financial year the Supervisory Board included one woman.

## **2. Scope of Supervisory Board activities in the reporting period, including discharge of duties of the Audit Committee**

In discharging its legal and statutory duties the Supervisory Board maintained ongoing oversight of all matters affecting the Company throughout 2021.

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

Throughout 2021 the Supervisory Board faithfully discharged all duties to which a supervisory board of a public company is unconditionally obligated by law, the Company Articles and Supervisory Board regulations.

In 2021 the Supervisory Board held five meetings. The Supervisory Board also discharged its duties by adopting resolutions by circulation.

As part of its prerogatives, throughout 2021 the Supervisory Board applied a substantial portion of the Best Practices for WSE Listed Companies insofar as these practices concern the supervisory boards of publicly traded companies.

Pursuant to the Act of 11 May 2017 on licensed auditors, audit firms and public supervision (“**The Act**”) an Audit Committee operated in the framework of the Supervisory Board, with the following composition:



Between 1 January and 25 May 2021:

- I) Michał Bień – Chairman of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act,
- II) Maciej Nielubowicz – Member of the Audit Committee with knowledge and skill in the area of accounting or auditing financial statements,
- III) Krzysztof Kilian - Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act,
- IV) Piotr Pągowski – Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act and under Art. 129 section 5 of the Act,
- V) Katarzyna Szwarc – Member of the Audit Committee meeting criteria under Art. 129 section 5 of the Act.

Between 25 May and 31 December 2021:

- I) Michał Bień – Chairman of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act,
- II) Maciej Nielubowicz – Member of the Audit Committee with knowledge and skill in the area of accounting or auditing financial statements,
- III) Jan Łukasz Wejchert - Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act,
- IV) Piotr Pągowski – Member of the Audit Committee meeting independence criteria under Art. 129 section 3 of the Act and under Art. 129 section 5 of the Act,
- V) Katarzyna Szwarc – Member of the Audit Committee meeting criteria under Art. 129 section 5 of the Act.

During the reporting period the Audit Committee held four meetings.

With regard to duties of the Audit Committee, the Audit Committee oversaw the financial reporting process and discharged its audatory obligations, including reviews of Company financial statements prior to their publication, and periodic meetings with licensed auditors.

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

Throughout 2021 the control and oversight duties of the Supervisory Board of CD PROJEKT S.A. were discharged faithfully and with due diligence. The Supervisory Board closely monitored all affairs

substantially affecting the Company while the Management Board supplied timely reports on the Company's legal status and each of its activity segments.

In discharging its control and oversight duties the Supervisory Board relied on written reports submitted by the Management Board and on clarifications provided by Management Board members attending Supervisory Board meetings. As a rule, Supervisory board meetings were attended by members of the Management Board except for matters related to the performance of the Management Board and its individual members. In the course of its duties, the Supervisory Board made use of remote communication tools, enabling better oversight of current Company affairs.

### **1. Summary assessment of consolidated status of the Company, its internal control system, risk mitigation strategies, compliance and internal audit function**

Based upon the Company's and its Group financial statements for 2021, the Management Board report on the internal control system, risk management, compliance and internal audit at CD PROJEKT S.A. in 2021, as well as additional information obtained from the Management Board the Supervisory Board declares that the Company's condition is stable. Following assessment of the Company's condition in 2021 as well as key risk factors affecting the Company, the Supervisory Board perceives no substantial threat which could jeopardize the continuation of Company activities.

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

#### **I. Internal control system**

A comprehensive internal control system is in place at the Company, concerning in particular the preparation of financial statements and consolidated financial statements, aiming to ensure that the Company meets its stated goals with regard to operating efficiency and performance, reliability of financial statements and legal compliance.

The Management Board of the Company actively participates in the Company's business activities and maintains active contacts with persons who manage its subsidiaries. Supervisory activities are based, among others, on internal regulations (including policies, procedures and manuals) which determine the scope of duties and responsibilities of each team member and serve to minimize the likelihood of errors in each area of activity at the Company.

The financial aspect of the internal control system bases on monthly audits of results in relation to existing plans for each area of activity of the CD PROJEKT Group.

In the framework of reporting and assessing results, the Management Board of the Company organizes monthly meetings with directors of each segment to analyze the latest results and their adherence to plans. These meetings also serve to discuss and analyze important events affecting each segment, along with the likelihood of successfully implementing plans set for future months.

Approval of expenditures at the Company is based on a formalized process which utilizes the electronic document flow system. Approval and execution of contracts involves participation of the Legal Department, as well, as – in selected cases – the Tax Department and the Procurement Department.

Financial control and cash management, carried out by representatives of the financial branch (including financial controlling), follows a hierarchical payment authorization scheme. All payments at the Company are based on properly filed accounting documents. An accounting document may only be filed if it conforms to all financial and material validity criteria, and has been approved by persons appointed for this purpose in the Company's electronic document flow system. Verification of the above, and filing of the document, is the responsibility of the given accountant. Daily payments are processed by the Financial Department in collaboration with the Accounting Department. Any deviations from this rule require approval by a Management Board representative.

Supervising preparation of the Company's financial statement is the joint responsibility of the Chief Accountant and CFO.

The financial statement and the consolidated financial statement comply with International Financial Reporting Standards (IFRS), the Accounting Act of 29 September 1994 (JL 1994 no. 121, item 591, as amended) and the CD PROJEKT S.A. Accounting Policy.

In order to ensure that the CD PROJEKT S.A. Accounting Policy conforms to the applicable laws, and particularly to IFRS, the Policy is subject to periodic updates. Responsibility in this regard rests with the Management Board of the Company.

Throughout 2021 the Company's accounts were managed by its internal Accounting Department. Additionally, this department provided paid accounting services to one of the Company's subsidiaries within the framework of the CD PROJEKT Group – namely, to Spokko sp. z o.o.

The Company's separate and consolidated financial statements are subject to reviews and audits carried out by independent external auditors, in line with the applicable laws – including the Act on Certified Auditors, Audit Firms and Public Supervision of 11 May 2017 (JL 2020, item 1415, as amended) and with the Company's internal Policy concerning appointment and rotation of entities authorized to

perform audits of financial statements, and procurement from such entities of other permissible services which do not constitute audits.

In addition, an Inventory instruction is in force at the Company, specifying the rules for preparing, carrying out, estimating and performing settlements related to the inventory of the Company's assets and liabilities, along with other off-balance sheet trade claims and conditional liabilities, pursuant to the Accounting Act (JL 1994, no. 121, item 591, as amended). On 22 October 2021 the Management Board adopted a resolution which mandates an annual inventory of assets and liabilities.

The Company performs its activities on the basis of a document circulation and approval system. In 2021 the core system used by the Company and its subsidiaries to manage their respective accounts was the IFS Applications ERP system, together with Workflow Plus and Tagetik systems.

IFS Applications is an advanced ERP system handling all aspects of company management (Finances, Accounting, HR, Payroll, Production and Distribution, and Warehousing).

Workflow Plus is a system which supports document flow through digitalization. The system has been deployed at the Company and selected subsidiaries within the CD PROJEKT Group. It can be used to process invoices and official correspondence. It enforces an electronic document flow system, along with mandatory allocation and approval of expenditures, and includes an electronic document archive. Workflow Plus has minimized the need for paper documents, accelerated document processing, improved control over the flow of information at the Company and enabled financial data to be promptly fed into the ERP system.

Tagetik is a system which can generate complex financial reports. It supports planning, budgeting and validation of financial results against the adopted projections.

In 2019 the Company deployed the TrimTab system, which supports document flow and facilitates processing and archiving contracts during the preparation process. In 2021 the Company continued to utilize TrimTab while rolling out additional solutions in support of its business activities – this includes a procurement platform which provides an electronic toolkit for approval, assessment and qualification of suppliers on the basis of specific criteria, along with an archive of historical data concerning past procurement processes.

Maintaining security, availability, confidentiality and integrity of information stored in the Company's IT infrastructure is the responsibility of the Information Security Department and the IT Department.

The Company has adopted structural measures to enforce a hierarchical system of responsibilities while minimizing the risk of any business operations being handled by a single individual. Recruitment is performed in such a way as to ensure selection of optimal candidates for each position. The Company

employs competent individuals and works to ensure that its employees remain motivated and have access to career development opportunities.

Control duties are largely handled by the Financial Department, Accounting Department and HR Department. The latter department devises procedures for managing human talent, and takes action to maintain the expected composition of the workforce. Internal regulations and processes are disseminated with support of the Internal Communication Department, which works to ensure that such regulations remain understandable and clear to employees.

## **II. Risk management**

In 2021 a Risk Management Procedure was introduced at the Company. This procedure specifies formal rules for handling strategic risks. Risk management at the Company facilitates the following:

- Risk assessment,
- means of coping with risks,
  - monitoring risks.

The goal of the procedure is to reach an acceptable risk level for each identified threat, thereby mitigating the consequences of potential events which may have a negative impact on the Company's activities or financial stability.

The Management Board report on CD PROJEKT Group activities in 2021 lists key risks identified by the Company in relation to its business, legal, HR, financial and environmental aspects.

Risk management at the Company is based on a clear division of responsibilities. The Management Board has appointed a Risk Management Committee, which comprises the owners of each identified risk.

Strategic risks are identified by risk owners in the framework of their participation in the Risk Management Committee. These risks are identified for each area of the Company's activities while acknowledging external and internal factors which may have an impact on the Company's strategic goals. The Risk Management Committee specifies risk categories and prepares a list of risks identified as strategic, which is subsequently submitted to the Management Board for approval.

Risk analysis includes determining the impact and probability of materialization of each risk. The latter acknowledges the existence and effectiveness of control mechanisms, while the former is based on potential consequences for the Company, both financial and otherwise. The significance of each risk is

calculated by plotting the result of the analysis process (i.e. the product of the impact and probability of materialization of the given risk) on the Risk Value Matrix. Following analysis of the risk, the Risk Management Committee submits its conclusions to the Management Board, which may then decide upon further actions, depending on the risk's assessed significance. Specifically, the Management Board may decide to accept, transfer or avoid the risk. If the significance of the given risk exceeds acceptability thresholds, the risk owner engages with the Risk Management Committee to prepare recommendations regarding further control and mitigation of the risk.

Five meetings of the Risk Management Committee have been held since the adoption of the Risk Management Procedure, and a total of eight strategic risks have been subjected to analysis. The Company intends to further refine its risk management system.

Dealing with risks is assisted by an active insurance coverage scheme, implemented in collaboration with an insurance broker. In 2021 the Company held the following (significant) insurance policies:

- “all risks” coverage of PP&E against fire and other random acts, and insurance against additional expenses resulting from events covered by the insurance agreement;
- specialized IT hardware insurance;
- general civil liability insurance, including product liability coverage;
- professional liability insurance for the Company;
- corporate liability insurance for members of the governing bodies of the Company and its subsidiaries, covering potential claims related to the actions of members of the Management Board, proxies and members of the Supervisory Board;
- motor insurance (civil liability/casco/accident liability) for cars operated by the Company and its subsidiaries;
- mandatory civil liability insurance for providers of accounting services;
- travel insurance for employees traveling abroad.

### **III. Compliance**

In 2021 the Company began formalizing its compliance function on the basis of existing legal regulations, market standards, Best Practices for WSE Listed Companies (2021) and compliance management system recommendations regarding anti-corruption measures and whistleblower protection at companies traded on the Warsaw Stock Exchange.

Actions undertaken by the Company in this scope are meant to foster an internal compliance culture and minimize the risk of noncompliance. Compliance management is based on the Deming cycle (Plan, Do, Check, Act) and is therefore subject to ongoing monitoring and refinement.

In 2022 the Company adopted a formal Compliance Management Policy which introduces a Compliance Program.

In 2021 the Company introduced its first-ever ethics code for team members and stakeholders of its Group – Business and Ethics Standards at the CD PROJEKT Group.

The standards constitute a commitment on the part of the Company and members of its team to abide by ethics guidelines, along with legal requirements and values which guide the CD PROJEKT Group in its day-to-day affairs.

In line with the Compliance Management Policy, the Management Board appointed a Chief Compliance Officer (Ewelina Jarosz-Zgoda, General Counsel) who, together with the Privacy and Compliance Team, monitors and coordinates the Company's requirements with regard to compliance management. This involves building the relevant competences among team members through participation in training courses and conferences, along with certification (e.g. Approved Compliance Expert, Approved Whistleblowing Officer).

Compliance management also materially involves teams and departments which carry out tasks related to monitoring and deploying compliance-related solutions, pursuant to legal regulations as well as voluntarily adopted standards. Ongoing activity in this scope involves, in particular, representatives of the Legal Department (Privacy and Compliance Team), Administration (environmental aspects), Tax Department and Information Security Department.

Changes in the regulatory environment are monitored on an ongoing basis by the Privacy and Compliance Team, which prepares analyses of existing and anticipated legal acts, announcements and guidelines issued by supervisory bodies, and commissions reports from external law firms.

The Company implements internal regulations, including policies and procedures, in proportion to the scale of its activities and its organizational structure. Internal regulations are posted in a dedicated repository on the Company Intranet, available to all team members, and undergo regular reviews and updates. Developing internal regulations is the responsibility of each team charged with managing the area to which the given regulations apply. The Privacy and Compliance Team participates in reviewing and developing new regulations to ensure consistency with existing laws and any other regulations in force at the Company. In 2021 the following internal regulations were introduced:

- Risk Management Procedure at CD PROJEKT S.A.

- Business and Ethics Standards at the CD PROJEKT Group
- Procedure for reporting irregularities at CD PROJEKT S.A.
- Procedure for counteracting improper conduct in employee relations at CD PROJEKT S.A.
- CD PROJEKT S.A. withholding tax policy

Additionally, in 2022 the Company adopted a CD PROJEKT Group Anti-Corruption Policy, along with rules for accepting and presenting gifts at CD PROJEKT S.A.

In 2021 the Company adopted a new internal Procedure for reporting irregularities at CD PROJEKT S.A. which superseded the existing Procedure for anonymously reporting breaches of legal regulations, procedures and ethics standards at CD PROJEKT S.A. Alongside the new Procedure, the Privacy and Compliance Team prepared an internal guide – “*Reporting irregularities – your voice matters*”, which introduces team members to whistleblowing and reporting procedures at the Company.

According to the adopted Procedure, a notification may describe an irregularity or a suspected irregularity which either has already occurred, or which may occur in the future, and which involves a breach of the law, ethics standards or internal regulations. The notification may be submitted orally, in writing, or using a dedicated form available on the Company portal. It may indicate the whistleblower or be submitted anonymously, depending on the whistleblower’s preferences. Notifications which concern Company employees are received by Piotr Nielubowicz, Vice President of the Board, and – following initial verification that no conflict of interest arises – forwarded to the Compliance Team. Notifications which concern members of the Management Board are received and processed by the Supervisory Board.

In the framework of its whistleblowing system the Company monitors the potential for infringements and improper conduct at the Company. Where irregularities are detected, the Company takes action to mitigate their potential consequences.

In 2021 two anonymous notifications were submitted using the whistleblowing system. The first concerned improper conduct in employee relations and was forwarded to the HR Department for further actions under a separate procedure which addresses such issues. The second concerned alleged discrimination of staff members by conditioning participation in Company events upon being able to produce either a COVID-19 antigen test result or a certificate of vaccination. Following a review of the relevant circumstances and regulations, including the requirement faced by employers to ensure a safe and hygienic work environment, no infringement of laws or procedures was declared.

In 2021 the Company also instituted a new Procedure for counteracting improper conduct in employee relations at CD PROJEKT S.A. which superseded the existing Anti-mobbing and anti-discrimination



procedure. By the end of 2021 three notifications had been submitted to the Company under this procedure. Following investigations, further actions were taken, which included instituting a customized career development plan, issuing general recommendations concerning improvements in managerial skills, as well, as – in one case – termination of employment.

#### **IV Internal audit**

Internal audit is not disaggregated in the Company's organizational structure as a distinct unit; however, the Company works to ensure that internal audit functions are carried out by its existing internal units.

#### **Summary**

The Supervisory Board regards the internal control systems and key risk management systems in place at the Company as consistent. The Supervisory Board expresses a positive opinion on the internal control systems and key risk management systems in force at the Company in 2021, and has determined that their implementation serves to limit key risks faced by the Company in the course of its activities.

#### **2. Assessment of the implementation of corporate governance principles and discharge of disclosure obligations related thereto, as mandated by the Stock Exchange Regulations and other regulations related to current and periodic information published by issuers of securities**

In 2021 the Company observed all regulations applicable to public companies, including its declared Corporate Governance Principles. In the Supervisory Board's opinion in 2021 the Company properly discharged its disclosure obligations related to implementation of corporate governance principles.

#### **Resolution no. 4**

**of 30 May 2022**

**of the Supervisory Board of CD PROJEKT S.A.**

**concerning adoption of the CD PROJEKT S.A. Supervisory Board report on the remuneration of members of the Management Board and Supervisory Board in 2021**

Acting under Art. 90g section 1 of the Act of 29 July 2005 on public offering, conditions for introducing financial instruments to organized trading and public companies (JL 2021, item 1983, as amended) the Supervisory Board hereby decides the following:

#### **§ 1**

1. The Supervisory Board adopts the CD PROJEKT S.A. Supervisory Board report on the remuneration of members of the Management Board and Supervisory Board in 2021 ("**Remuneration Report**") as appended to this resolution (see Appendix 1) and submits the

Remuneration Report to Grant Thornton Polska sp. z o.o. sp. k. with a registered office in Poznań (“**Auditor**”) for an audit which comprises assessment of the completeness of disclosures contained therein in light of the requirements arising under Art. 90g of the Act on public offering, conditions for introducing financial instruments to organized trading and public companies.

2. The Supervisory Board declares that the Remuneration Report is complete under the applicable legal regulations, i.e. contains all information required under Art. 90g sections 1-5 and 8 of the Public Offering Act, and covers all members of the Management Board and the Supervisory Board, including persons closely related thereto, as well as all components of their respective remuneration packages
3. The Supervisory Board approves the Supervisory Board statement issued to the Auditor with regard to the Supervisory Board’s responsibility for preparing and ensuring the completeness of information contained in the Remuneration Report, as appended to this resolution (see Appendix 2).
4. The Supervisory Board submits the Remuneration Report to the General Meeting for approval, following the completion of the audit as specified in section 1 (above).

## § 2

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

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