

**CD PROJEKT S.A. Supervisory Board
Report on the remuneration
of the Management Board
and the Supervisory Board for 2021**



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.

This report concerning remuneration of members of the Management Board and Supervisory Board of CD PROJEKT S.A. with a registered office in Warsaw ("the Company") for 2021 ("the Report") was prepared in accordance with 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) and contains a comprehensive list of remuneration, including all benefits, obtained by or payable to each member of the Management Board and Supervisory Board for 2021, in line with the Management Board and Supervisory Board remuneration policy adopted by Resolution no. 19 of the Ordinary General Meeting of 28 July 2020 and Supervisory Board Resolution no. 1 of 27 August 2020 ("the Remuneration Policy").

I. Aims of the Remuneration Policy

Providing fair remuneration to the Management Board and the Supervisory Board, in line with market standards, aims to enable CD PROJEKT to attract and retain talented, experienced members of the Company's managerial and supervisory bodies. Remuneration is structured in such a way as to ensure that the Management Board's goals are well aligned with the goals of the Company's shareholders. In this respect, remuneration should assist in the implementation of the CD PROJEKT Group's strategy, and creation of long-term value by pursuing the Group's short- and long-term goals.

The remuneration policy, adopted by Supervisory Board resolution no. 1 of 27 August 2020, is available at <https://www.cdprojekt.com/en/capital-group/corporate-documents/>.

The Supervisory Board has carried out a review of the Remuneration Policy in force in 2021, concluding that the provisions of the policy are being enforced and that its goals are met. Consequently, the Supervisory Board does not present any recommendations to the General Meeting concerning potential changes in the existing Remuneration Policy.

II. Summary of financial results

In 2021 CD PROJEKT focused on improving *Cyberpunk 2077* gameplay and preparing the game's next-gen edition. The year was also marked by internal changes previously announced in the Group's strategy update.

In 2021 the CD PROJEKT Group obtained 888 million PLN in revenues, mainly as a result of sales of *Cyberpunk 2077*. By 14 April 2022, i.e. by the publication date of the 2021 annual report, gamers from around the world had purchased over 18 million copies of the game. The consolidated net profit for the period was nearly 209 million PLN.

Despite having paid out its highest-ever dividend, at 504 million PLN, and carrying out intensive development work on existing and upcoming games, at the end of 2021 the Group held nearly 280 million PLN more in financial reserves – i.e. cash, bank deposits, and T-bonds – than at the end of the previous year.

Company and Group earnings in 2016-2021

Financial year	2021	2020	2019	2018	2017	2016
CD PROJEKT S.A. – net profit	240 113	1 128 056	172 826	109 451	184 613	249 702
<i>% change compared to preceding year</i>	<i>-78.7%</i>	<i>552.7%</i>	<i>57.9%</i>	<i>-40.7%</i>	<i>-26.1%</i>	<i>-25.7%</i>
CD PROJEKT Group – net profit	208 908	1 150 148	175 315	109 334	200 270	250 514
<i>% change compared to preceding year</i>	<i>-81.8%</i>	<i>556%</i>	<i>60.4%</i>	<i>-45.4%</i>	<i>-20.1%</i>	<i>-26.8%</i>

The remuneration of the Management Board and Supervisory Board presented in this Report is consistent with the Remuneration Policy. Variable remuneration of Management Board members comprises bonuses tied to the Group's earnings, and incentive programs based upon attainment of specific goals.

III. Supervisory Board

Composition of the Supervisory Board for the period covered by this Report

Name	Position
Katarzyna Szwarc	Chairwoman of the Supervisory Board
Piotr Pagowski	Deputy Chairman of the Supervisory Board
Maciej Nielubowicz	Supervisory Board Member
Michał Bień	Supervisory Board Member
Krzysztof Kilian ¹	Supervisory Board Member
Jan Łukasz Wejchert ²	Supervisory Board Member

¹ Member of the Supervisory Board until 25 May 2021

² Member of the Supervisory Board since 25 May 2021

Brief summary of the existing remuneration system

To ensure that the Supervisory Board remains independent in performing its supervisory duties, members of the Supervisory Board receive only fixed remuneration in cash. They are not assigned any remuneration which would depend on fulfillment of specific criteria, such as earnings goals.

In 2021 the Supervisory Board received remuneration on the basis of General Meeting resolutions, consistent with the Remuneration Policy in force at the Group. In 2021 members of the Supervisory

Board received remuneration in connection with their membership of the Supervisory Board and of the Audit Committee, as listed in the following table. In addition, members of the Supervisory Board are covered by a comprehensive D&O insurance policy concluded by the Company.

Remuneration of the Supervisory Board in 2021

Name	Position	Audit Committee	Remuneration
Katarzyna Szwarc	Chairwoman of the Supervisory Board	Member	135
Piotr Pągowski	Deputy Chairman of the Supervisory Board	Member	87
Maciej Nielubowicz	Member of the Supervisory Board	Member	87
Michał Bień	Member of the Supervisory Board	Chairman	87
Krzysztof Kilian ¹	Member of the Supervisory Board	Member	29
Jan Łukasz Wejchert ²	Member of the Supervisory Board	Member	58

¹ Member of the Supervisory Board until 25 May 2021

² Member of the Supervisory Board since 25 May 2021

The remuneration of Supervisory Board members does not include any benefits, financial or otherwise, assigned to relatives thereof.

IV. Management Board

Composition of the Management Board during the period covered by this Report

Name	Position
Adam Kiciński	President of the Board
Marcin Iwiński	Vice President of the Board
Piotr Nielubowicz	Vice President of the Board
Adam Badowski	Board Member
Michał Nowakowski	Board Member
Piotr Karwowski	Board Member

Brief summary of the existing remuneration scheme

Remuneration of Management Board members consists of fixed and variable components. Base remuneration and benefits incorporated thereby are in line with existing market practices and systems which the Company provides to all its employees. Variable remuneration, which rewards results and growth, is dependent on the annual earnings posted by the Group, together with ambitious long-term goals.

	Instrument	Purpose	Settlement cycle	Performance indicators for 2021
Base remuneration	cash payment	fixed remuneration	monthly	-
Additional benefits	medical coverage; Multisport membership card; use of company car; access to training; D&O insurance	talent acquisition and retention	-	-
Annual bonus	cash payment	aligning short-term goals of Company shareholders and managers; incentivization; talent acquisition and retention	annual	consolidated net earnings of the CD PROJEKT Group
Incentive program	warrants incorporating the right to take up Company shares, or own shares bought back by the Company	building long-term value for the Group; aligning medium- and long-term goals of Company shareholders and program participants; incentivization; talent acquisition and retention	Incentive program (3rd edition) for 2020-2025; initial verification of goals following approval of earnings for 2020-2022 (3 financial years)*	cumulative consolidated net earnings of the CD PROJEKT Group; change in CD PROJEKT stock price outperforming the WIG index by at least 100 p.p.

* Based on earnings posted for 2020 and 2021, and projections concerning further annual periods covered by the program, the Management Board has performed an assessment of the likelihood of achieving the earnings goals defined for the full duration of the program and has altered its projections, declaring that the most likely outcome is that the aforementioned earnings goals cannot be attained.

Total remuneration of CD PROJEKT S.A. Management Board members by component, including ratios between remuneration components

Name and position of Board Member	Remuneration paid out in 2021 (variable remuneration payable for 2020, tied to the Group's net earnings in 2020)				Remuneration payable in 2022 (variable remuneration payable for 2021, tied to the Group's net earnings in 2021)
	Fixed remuneration (contract of employment; compensation for duties performed)	Variable remuneration (annual bonus)	Additional benefits	Ratio between fixed remuneration and variable remuneration	Variable remuneration – annual bonus
Adam Kiciński President of the Board	420	24 241	6	1.8%	4 387
Marcin Iwiński Vice President of the Board	336	24 241	7	1.4%	2 194
Piotr Nielubowicz Vice President of the Board	348	24 241	6	1.5%	4 387
Adam Badowski Board Member	398	16 738	1	2.4%	3 029
Michał Nowakowski Board Member	360	16 738	6	2.2%	3 029
Piotr Karwowski Board Member	185	-	-	-	3 029

Remuneration assigned to Board Members by subsidiaries

Name and position of CD PROJEKT S.A. Board Member	Remuneration paid out in 2021 (variable remuneration payable for 2020, tied to the Group's net earnings in 2020)				Remuneration payable in 2022 (variable remuneration payable for 2021, tied to the Group's net earnings in 2021)
	Fixed remuneration (contract of employment; compensation for duties performed)	Variable remuneration (annual bonus)	Additional benefits	Ratio between fixed remuneration and variable remuneration	Variable remuneration – annual bonus
Marcin Iwiński Board Member at GOG sp. z o.o.	24	-	-	-	-
Piotr Karwowski Board Member at GOG sp. z o.o.	174	4 617	1	3.8%	-
Piotr Nielubowicz	11	-	-	-	-

During the period covered by this Report no Management Board member obtained variable remuneration other than monetary bonuses tied to the Group's earnings.

The remuneration of Management Board members does not include any benefits, financial or otherwise, assigned to relatives thereof.

Incentive program for 2020-2025

During the period covered by this Report an incentive program covering the years 2020-2025 was in force at the Company, pursuant to resolutions adopted by General Meetings of the Company on 28 July 2020 and 22 September 2020 respectively.

Assignment and exercise of rights incorporated by subscription warrants, or, alternatively, purchase of own shares from the Company by entitled parties is contingent upon achieving the program's goals and criteria. The program specifies an earnings goal (80% of entitlements) and a market goal (20% of entitlements), along with – in each case – a loyalty criterion which applies up until attainment of either the earnings goal or the market goal is confirmed.

Earnings goal of the 2020-2025 incentive program, corresponding to 80% of assigned entitlements – cumulative consolidated net profit of the CD PROJEKT Group

Base variant, entitling participants to exercise their entitlements at the base price:

Achieving consolidated net earnings from continuing activity for the Group as a whole, increased by costs related to estimation of the granted entitlements as entered in the Group's accounts for each verification period, of at least:

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

Alternative variant whereby any of the above stated goals are achieved one year in advance, entitling participants to exercise their entitlements at a discount:

Achieving consolidated net earnings from continuing activities for the Group as a whole, increased by costs related to estimation of the granted entitlements as entered in the Group's accounts for each verification period, of at least:

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

Based on earnings posted for 2020 and 2021, and projections concerning further annual periods covered by the program, the Management Board has performed an assessment of the likelihood of achieving the earnings goals defined for the full duration of the program and has altered its projections, declaring that the most likely outcome is that the aforementioned earnings goals cannot be attained.

Market goal of the 2020-2025 incentive program, corresponding to 20% of assigned entitlements – CD PROJEKT S.A. stock price performance

A goal predicated upon the change in the price of CD PROJEKT S.A. stock on the Warsaw Stock Exchange in such a way that the percentage difference between the closing price of CD PROJEKT S.A. stock on the verification date and the corresponding closing price on 22 September 2020 is more than 100% greater than the corresponding change in the value of the WIG index over the same period.

Annual bonus

Conditions governing assignment of annual bonuses in the framework of variable remuneration are covered by Regulations of the Management Board Incentive Program adopted by Supervisory Board Resolution no. 10 of 20 April 2015, and by contracts concluded individually with each member of the Management Board. Bonuses cover annual periods. A bonus may be assigned if the CD PROJEKT Group posts positive net earnings (net profit) for the given reporting period, as attested to by its consolidated financial statement. Should the Group post negative earnings (net loss), bonuses may be assigned in the following period (or in further periods) under the condition that the cumulative net earnings achieved by the Group in such periods remain positive.

V. Financial instruments granted or offered, and key conditions covering exercise of rights incorporated thereby, including the price and date of exercise or conversion

Given the launch of the incentive program for 2020-2025, which occurred in 2020, during the period covered by this Report members of the Company's Management Board held entitlements, whose quantity and base exercise price are listed below:

Name	Position	Entitlements granted	Base exercise price ¹
Adam Kiciński	President of the Board	200 000	390.59 PLN
Marcin Iwiński	Vice President of the Board	200 000	390.59 PLN
Piotr Nielubowicz	Vice President of the Board	200 000	390.59 PLN
Adam Badowski	Board Member	200 000	390.59 PLN
Michał Nowakowski	Board Member	200 000	390.59 PLN
Piotr Karwowski	Board Member	200 000	390.59 PLN

¹ Should the earnings goals of the 2020-2025 incentive program be met ahead of schedule, or be exceeded, the program provides for the possibility of exercising entitlements at a 5% discount compared to their corresponding base exercise price. The program also contains a provision covering potential application of the so-called reduction mechanism.

Shares held by members of the Company's Management Board and Supervisory Board

Name	Position	As of 31.12.2021	As of 31.12.2020
Adam Kiciński	President of the Board	4 046 001	4 046 001
Marcin Iwiński	Vice President of the Board	12 873 520	12 873 520
Piotr Nielubowicz	Vice President of the Board	6 858 717	6 858 717
Adam Badowski	Board Member	692 640	692 640
Michał Nowakowski	Board Member	580 290	580 290
Piotr Karwowski	Board Member	108 728	108 728
Katarzyna Szwarz	Chairwoman of the Supervisory Board	10	10
Maciej Nielubowicz	Supervisory Board Member	51	51

VI. Information regarding alignment of the total remuneration with the Remuneration Policy, along with its contribution to attainment of the Company's long-term goals

Throughout the period covered by this Report the remuneration of persons covered by the Remuneration Policy acknowledged objective criteria specified therein, as well as the employment

conditions and remuneration of other Company employees, as mandated by the Remuneration Policy. Assignment of remuneration to members of the Management Board and Supervisory Board furthers the Company's strategy and contributes to attainment of its long-term goals by (i) ensuring full involvement of persons covered by the Remuneration Policy in performing their official duties at the Company; (ii) incentivizing persons covered by the Remuneration Policy to implement the Strategy and pursue short- and long-term goals; (iii) forging long-term bonds between persons covered by the Remuneration Policy and the Company; (iv) providing persons covered by the Remuneration Policy with adequate remuneration in light of the Group's and the Company's business and financial performance; (v) discouraging persons covered by the Remuneration Policy from taking excessive risks.

For the period covered by this Report members of the Management Board were assigned remuneration in amounts and under conditions expressed in the relevant Supervisory Board resolutions. Base remuneration is also dependent on the qualifications and responsibilities of each member of the Management Board. The Company's practice in relation to:

- i. components of fixed and variable remuneration, as well as bonuses and other benefits, financial or otherwise, which may be assigned to Management Board members;
- ii. clear, comprehensive and diverse criteria related to financial and non-financial performance in the context of assigning variable remuneration;
- iii. deferment periods for disbursement of variable remuneration;
- iv. conditions under which the Company may demand reimbursement of variable remuneration

is consistent with the provisions of the Remuneration Policy. In addition, members of the Management Board are eligible to receive additional non-financial benefits, as described in the Remuneration Policy.

For the period covered by this Report members of the Supervisory Board were assigned monthly fixed remuneration in amounts and under conditions expressed solely in the corresponding General Meeting resolutions. This remuneration was consistent with the scope of responsibilities and official functions held by each member of the Supervisory Board, and proportional to the duration of their membership of the Supervisory Board. Members of the Supervisory Board were not assigned any remuneration (i) tied to the Company's earnings, or (ii) payable in the form of financial instruments or other non-financial benefits, except for D&O liability insurance under a comprehensive insurance policy concluded by the Company.

VII. Disclosure of the means of applying result-related criteria

Variable remuneration (annual bonuses) was assigned to members of the Management Board in light of fulfillment of criteria governing the assignment of such remuneration, expressed in Supervisory Board resolutions no. 1 of 19 July 2018, no. 12 of 25 May 2021 and no. 5 of 26 January 2022, consistent with limits specified in the Remuneration Policy. Verification of the attainment of criteria which govern assignment of variable remuneration tied to the Group's earnings is based on data contained in the consolidated financial statement of the CD PROJEKT Group, and forms the basis for assignment of variable remuneration to individual members of the Management Board by the Supervisory Board.

VIII. Disclosure of annual changes in remuneration, Company earnings and average remuneration of Company employees who are not members of the Management Board or the Supervisory Board over at least five most recent financial years

Company and Group earnings in 2016-2021

Financial year	2021	2020	2019	2018	2017	2016
CD PROJEKT S.A. net earnings	240 113	1 128 056	172 826	109 451	184 613	249 702
<i>% change compared to preceding year</i>	<i>-78.7%</i>	<i>552.7%</i>	<i>57.9%</i>	<i>-40.7%</i>	<i>-26.1%</i>	<i>-25.7%</i>
CD PROJEKT Group net earnings	208 908	1 150 148	175 315	109 334	200 270	250 514
<i>% change compared to preceding year</i>	<i>-81.8%</i>	<i>556%</i>	<i>60.4%</i>	<i>-45.4%</i>	<i>-20.1%</i>	<i>-26.8%</i>

Total remuneration paid by CD PROJEKT S.A. to members of the Supervisory Board in 2016-2021¹

Name	Position	2021	2020	2019	2018	2017	2016
Katarzyna Szwarc	Chairwoman of the Supervisory Board	135	120	120	112	96	91
<i>% change compared to preceding year</i>		12.5%	0%	7.1%	16.7%	5.5%	13.8%
Piotr Pągowski	Deputy Chairman of the Supervisory Board	87	72	63	48	48	39
<i>% change compared to preceding year</i>		20.8%	14.3%	31.3%	0%	23.1%	77.3%
Maciej Nielubowicz	Supervisory Board Member	87	72	72	64	11	-
<i>% change compared to preceding year</i>		20.8%	0%	12.5%	481.8%	-	-
Michał Bień	Supervisory Board Member	87	72	72	64	48	29
<i>% change compared to preceding year</i>		20.8%	0%	12.5%	33.3%	65.5%	-
Krzysztof Kilian ²	Supervisory Board Member	29	72	63	48	48	39
<i>% change compared to preceding year</i>		-59.7%	14.3%	31.3%	0%	23.1%	178.6%
Jan Łukasz Wejchert ³	Supervisory Board Member	58	-	-	-	-	-
<i>% change compared to preceding year</i>		-	-	-	-	-	-

¹ The table covers remuneration paid out in 2016-2021 to individuals who held membership of the Supervisory Board in 2021

² Member of the Supervisory Board until 25 May 2021

³ Member of the Supervisory Board from 25 May 2021

Total remuneration paid by CD PROJEKT S.A. to members of the Management Board in 2016-2021¹

Name	Position	2021	2020	2019	2018	2017	2016
Adam Kiciński	President of the Board	24 667	4 107	2 722	6 154	7 591	3 463
<i>% change compared to preceding year</i>		500.6%	50.9%	-55.8%	-18.9%	119.2%	-59.5%
Marcin Iwiński	Vice President of the Board	24 584	4 024	2 638	6 070	7 507	3 377
<i>% change compared to preceding year</i>		510.9%	52.5%	-56.5%	-19.1%	122.3%	-60.0%
Piotr Nielubowicz	Vice President of the Board	24 595	4 035	2 653	6 086	7 519	3 388
<i>% change compared to preceding year</i>		509.5%	52.1%	-56.4%	-19.1%	121.9%	-59.9%
Adam Badowski	Board Member	17 137	2 941	1 984	3 602	4 478	5 708
<i>% change compared to preceding year</i>		482.7%	48.2%	-44.9%	-19.6%	-21.5%	1 337.8%
Michał Nowakowski	Board Member	17 104	2 908	1 951	3 570	4 446	5 677
<i>% change compared to preceding year</i>		488.2%	49.1%	-45.4%	-19.7%	-21.7%	1 463.9%
Piotr Karwowski	Board Member	185	102	60	60	60	60
<i>% change compared to preceding year</i>		81.4%	70%	0%	0%	0%	500%

¹ The table covers remuneration paid out in 2016-2021 to individuals who held membership of the Management Board in 2021

Average remuneration of Company employees who are not members of the Management Board or the Supervisory Board: 2016-2021

Financial year	2021	2020	2019	2018	2017	2016
Average remuneration of other employees	294	171	98	107	90	120
<i>% change compared to preceding year</i>	71.9%	74.5%	-8.4%	18.9%	-25%	48.1%

The significant increase in remuneration paid out to members of the Management Board as well as the average remuneration of Company employees in 2021 is mainly due to payment (in 2021) of annual bonuses for 2020, calculated on the basis of the CD PROJEKT Group earnings for that year (556% increase compared to the preceding year) or the net profit of the CD PROJEKT RED segment for 2020 (555% increase compared to the preceding year), as well as the ratio between annual bonuses and fixed remuneration, which varies between individual employees.



The remuneration of Management Board members and the average remuneration of Company employees presented in the above tables does not include potential benefits obtainable by members of the Management Board or Company employees in association with their participation in incentive programs in force at the CD PROJEKT Group in 2012-2015 (settled in 2016), 2016-2019 (settled in 2020) and 2020-2025 (not settled as of the publication date of this Report). With regard to average remuneration of Company employees, the presented values correspond to the sum of fixed remuneration, bonuses, non-monetary benefits and any other benefits paid out to employees in the given calendar year, divided by the number of employees for that year.

IX. Disclosure of exercise of the right to demand reimbursement of variable remuneration

During the period covered by this Report, the Company did not demand reimbursement of variable remuneration from any individuals covered by the Remuneration Policy.

X. Disclosure of deviations in the scope of implementing the remuneration policy and derogations from the remuneration policy, along with clarifications regarding the causes and means of recognizing derogations, as well as elements of the remuneration policy to which derogations pertain

As of the preparation date of this Report the Supervisory Board is not aware of any derogations from the Remuneration Policy. Furthermore, the Supervisory Board has not consented to any derogations from the Remuneration Policy in accordance with the procedure specified therein.



XI. General Meeting opinion regarding the preceding remuneration report

Resolution no. 18 of 25 May 2021 of the Ordinary General Meeting of the Company issued a positive opinion regarding the Supervisory Board report on remuneration paid out in the years 2019 and 2020. Consequently, this Supervisory Board report on remuneration was prepared under the same assumptions as the previous report.