



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

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 document is provided for information purposes only and does not constitute a binding interpretation of common law. All matters related to the General Meeting of CD PROJEKT are regulated by the applicable legislation, the CD PROJEKT S.A. General Meeting Regulations and the Terms and Conditions of Participation in the General Meeting of CD PROJEKT S.A. using Electronic Communication Tools. We encourage all readers to familiarize themselves with the above-mentioned documentation.

Esteemed Fellow Shareholders,

I would like to invite you to take part in the Extraordinary General Meeting of CD PROJEKT S.A., which will be held on 20 December at 10:00 at the Company headquarters – Warsaw, Jagiellońska 74. As usual, for those of you who cannot attend in person we will provide the option to participate and exercise voting rights using online tools.

At the Extraordinary General Meeting we will vote on several matters which are important for the activities of CD PROJEKT.

The first such matter is a vote on Marcin Iwiński's candidature for membership of the Supervisory Board of the Company. This follows Marcin's resignation, tendered on 4 October, from the Management Board of CD PROJEKT S.A., effective at the end of 2022, and the concurrent announcement of his intent to seek appointment as Chairperson of the Supervisory Board. I'm convinced that – owing to his unique knowledge and experience – Marcin Iwiński will, in his new non-executive role, provide valuable support for the Management Board of CD PROJEKT in implementing the Company's business strategy.

The upcoming Extraordinary General Meeting will also be asked to decide on cancelling the existing Incentive Program for 2020-2025 and replacing it with a new Incentive Program scheduled for 2023-2027. Effective implementation of this new program will depend on the shareholders' permission to issue subscription warrants entitling holders to take up Company shares, and to conditionally increase the Company's share capital.

Our proposed Incentive Program for 2023-2027 is modeled after similar incentive schemes which have been successfully applied at foreign public companies. I am confident that enacting this new Program will strengthen CD PROJEKT's standing as an employer on the highly competitive global entertainment market, and contribute to the Company's long-term value, which is clearly in the interest of our shareholders.

The list of draft resolutions submitted to the Extraordinary General Meeting also includes, among others, resolutions concerning changes in remuneration offered to members of the Supervisory Board, and the merger between CD PROJEKT S.A. and the operator of its online merch store – CD PROJEKT RED GEAR. Following this merger we intend to continue the existing operations of the online storefront, in cooperation with an experienced external party.

As always, I wholeheartedly invite you to take an active part in the Extraordinary General Meeting of CD PROJEKT S.A. Should you have any questions or concerns, do not hesitate to contact us at wza@cdprojekt.com.

Respectfully,

Adam Kiciński



President of the Board



Draft resolutions and Management Board recommendations

Key matters (with links to justifications)	Resolutions no.	Management Board recommendation
<u>Appointment of Marcin Iwiński to the Company's Supervisory Board</u>	3	SUPPORT
<u>Change in remuneration of Members of the Supervisory Board of the Company</u>	4	SUPPORT
<u>Cancellation of the Incentive Program for 2020-2025</u>	5	SUPPORT
<u>Introduction of a new Incentive Program for 2023-2027</u>	6, 7	SUPPORT
<u>Merger between CD PROJEKT S.A. and its subsidiary – CD PROJEKT RED STORE sp. z o.o. (CD PROJEKT RED GEAR merch store)</u>	8	SUPPORT
<u>Allocation of expenses related to convocation and organization by of the EGM to the Company</u>	9	SUPPORT

Appointment of Marcin Iwiński to the Supervisory Board of CD PROJEKT S.A.

On 4 October 2022 Marcin Iwiński, Vice President of the Management Board for International Affairs tendered his resignation from that position, effective at the end of 2022 (Current Report no. 38/2022). In doing so, Mr. Iwiński also notified the Company of his intent to seek appointment as Chairperson of the Supervisory Board of CD PROJEKT S.A. As a follow-up, on 16 November 2022, while submitting his request to convene an Extraordinary General Meeting of the Company (Current Report no. 46/2022) Marcin Iwiński formally announced his candidature.

In line with his declaration, in his new, non-executive role, Marcin Iwiński intends to continue supporting CD PROJEKT and remain a major shareholder of the Company. Marcin Iwiński currently holds 12.78% of the Company's stock.

Marcin Iwiński's bio

Marcin Iwiński co-created CD Projekt in 1994 and has functioned as Joint CEO since the Company's inception through its growth into the CD PROJEKT Group. As Vice President of International Affairs for the company and later the Group, his role involved overseeing business development, game publishing, and international partnerships. He is co-responsible for CD PROJEKT RED's strong position on the market and the success of the two major franchises of the studio — The Witcher and Cyberpunk 2077. This success is reflected in their popularity both among gamers across the world, as well as with the company's business partners. Marcin Iwiński graduated from the University of Warsaw's Faculty of Management with a degree in management and marketing. He later completed a master's degree in management from the same university.

Justification

The Management Board CD PROJEKT S.A. believes that – owing to his unique skillset and experience and in-depth knowledge of the electronic entertainment market, Marcin Iwiński, as Chairperson of the Supervisory Board, will continue to effectively support the Management Board in pursuing the ambitious business goals defined in the Long-Term Strategic Growth Outlook of the CD PROJEKT Group. His familiarity with the company which he helped build and develop over a period of almost 30 years will enable him to efficiently discharge his duties as Chairperson of the Supervisory Board.

Change in remuneration of Members of the Company's Supervisory Board

Justification

The change in remuneration assigned to the Chairperson and Deputy Chairperson of the Supervisory Board of CD PROJEKT S.A. is associated with additional responsibility and duties assigned to holders of these positions in line of the anticipated new division of responsibilities within the Supervisory Board, given the anticipated appointment of Mr. Marcin Iwiński, incumbent Vice President of the Management Board, to the Supervisory Board. Marcin Iwiński's unique skillset and knowledge of the market segment in which the Company operates will enable him to efficiently discharge his duties within the Company's Supervisory Board.

Cancellation of the Incentive Program for 2020-2025

The incentive program for 2020-2025 was instituted on the basis of General Meeting resolutions of 28 July 2020 and 22 September 2020. Its primary function was to enable the Company to offer attractive, competitive compensation packages to people in senior positions at companies belonging to the CD PROJEKT Group, and to incentivize them to pursue the Company's ambitious goals.

Justification

The proposed resolution concerning cancellation of the existing Incentive Program is motivated mainly by the loss of the current Program's incentivizing and retention-promoting properties, which are its basic goals. In its report on the activities of the CD PROJEKT Group for 2021, the Management Board provided an assessment of the likely inability to achieve the Program's earnings goals, upon which the exercise of entitlements assigned under the Program is conditioned. Moreover, the current Program is based on minimum exercise prices of entitlements set in 2020, at 390.59 and 371.06 PER Company share. The observed mismatch between this exercise price and the Company's current stock price means that the Program has lost its positive effect – both with regard to current employees and candidates for recruitment at the Company and its subsidiaries.

Given the increasing competition for top talent in the global digital entertainment market, along with the planned expansion of the Group's activities, the Management Board has decided to submit to the General Meeting a proposal concerning a new, reformulated Incentive Program. In the Management Board's view this will create effective mechanisms to enable retention and incentivization of team members at CD PROJEKT S.A. and other companies belonging to its Group.

Resolutions concerning the institution of a new Incentive Program for 2023-2027

In resolutions 6 and 7 the Company applies to the General Meeting to institute a new Incentive Program for 2023-2027, and to authorize the corresponding issue of subscription warrants entitling holders to take up Company shares with restriction of pre-emption rights for existing shareholders, along with the conditional increase in the Company's share capital.

Below we present key points of the proposed Incentive Program for 2023-2027. Detailed information concerning the program's rules, structure and mechanisms is contained in the draft resolutions.

Aims of the Program

The primary aims of the Incentive Program for 2023-2027 are as follows:

- introducing a mechanism to promote retention and stable employment at CD PROJEKT S.A. and other member companies of the CD PROJEKT Group,
- introduce an incentivizing mechanism tied to increases in the CD PROJEKT Group's market value,
- introduce an incentivizing mechanism which enables the Company to set long-term goals, both financial and otherwise (for periods between 3 and 5 years).

Instituting the Incentive Program will also enable the Company to offer attractive, competitive employment conditions to prospective employees. Recruitment of candidates who possess competences regarded as important given the CD PROJEKT Group's Strategy is a prerequisite of successful implementation of this strategy, and for building long-term value for Company shareholders.

Participants

Enrollment in the Incentive Program will be offered on the basis of Management Board decisions (or, with regard to members of the Management Board – on the basis of Supervisory Board decisions) to persons employed at CD PROJEKT S.A. and other member companies of the CD PROJEKT Group (including members of the Management Board of the Company and other companies comprising the Group).

Structure of the program

In both parts of the Program entitlements will be assigned in five separate stages, by the end of March of each financial year between 2023 and 2027. In Part B of the Program, a set of conditions (goals which either the Company or Program participants must meet) will be determined for each financial year. Exercise of the assigned entitlements will require fulfillment of these conditions.

The assigned entitlements will enable Program participants to take up Company shares following a vesting period of between 3 and 5 years.

The following table provides more detailed information about each part of the Incentive Program.

Criterion	Part A	Part B
Means of implementing the Program	<p>Participants will be able to exercise their assigned entitlements to acquire a certain number of Company shares through one of the following two mechanisms which will be offered at the Company's discretion:</p> <ul style="list-style-type: none"> a) take-up of shares in the exercise of subscription warrants assigned to participants specifically for this purpose, or b) purchase, from the Company, of shares which the Company will have previously bought back on the market. <p>Both mechanisms will result in the participant being assigned a certain quantity of shares at a predetermined price – from the participant's perspective it doesn't matter which of these two mechanisms will be applied in practice.</p>	
Exercise conditions	Loyalty condition – continuous employment relationship	<p>Loyalty condition – continuous employment relationship;</p> <p>Result condition – financial or non-financial (concerning the Company or its affiliates);</p> <p>Discretionary individual conditions (concerning a specific participant or their team)</p>
Participants	Employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group, <u>excluding</u> Members of the Company's Management Board	Employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group, <u>including</u> Members of the Company's Management Board
Means and cost of exercising entitlements	Take-up or purchase of Company shares at a price equivalent to their nominal value.	<p>Take-up or purchase of Company shares at a price equivalent to the closing price of Company stock on the WSE on the last trading day preceding the adoption of a resolution concerning enrollment of the given participant in the Program.</p> <p>The cost of taking up or purchasing shares may be reduced by applying a price reduction mechanism.</p>
Quantity of entitlements offered	Not more than 50% of all entitlements offered under the Program	No overall limit; however, participants who are also Members of the Management Board of the Company may not be assigned more than 50% of all entitlements offered under the Program

Criterion	Part A	Part B
Vesting period	3 years	3 years, with an option to extend to 4 or 5 years
Prolongation of vesting period	Not applicable	<p>If a given participant fulfills the loyalty condition but not the result condition or individual conditions, the verification procedure will be repeated in subsequent financial years, at the end of the four- and five-year vesting periods respectively, with respect to result or individual conditions set specifically for such extended periods.</p> <p>In case of partial (but amounting to at least 80%) fulfillment of the result condition set for the five-year period, the number of entitlements exercisable by the given participant will be reduced by 2% for each percentage point reflecting unrealized goals.</p>
Verification of conditions and exercise of entitlements	At the end of each vesting period	
Price reduction mechanism	Not applicable	The Company may extend an offer to selected participants to reduce the exercise price of their entitlements while also reducing the number of exercisable entitlements in such a way that the net economic effect is equivalent to taking up or purchasing the originally specified number of shares at their originally specified (higher) price.

Total number of entitlements assigned

The total number of entitlements assigned during the entire Incentive Program, i.e. during the five-year period in which entitlements can be assigned, must not account for more than 5% of shares comprising the Company's share capital.

Vesting of the Incentive Program by way of enabling participants to purchase the Company's own shares will limit dilution of Company stock given the lack of a future need to secure additional financing from issuing shares for the benefit of Participants of the Incentive Program. Moreover, the price reduction mechanism will make it easier for participants to take up or purchase Company shares, potentially reducing the need to subsequently sell some of the acquired shares in order to refinance expenses incurred in conjunction with their take-up or purchase. This, in turn, should reduce the market supply of Company shares and promote stabilization of employee stock ownership.

In the Management Board's opinion the proposed structure of the Incentive Program is consistent with the shareholders' interest since it aims to promote long-term growth of the CD PROJEKT Group's market value.

Approval of merger between CD PROJEKT S.A. and CD PROJEKT RED STORE sp. z o. o.

CD PROJEKT RED STORE sp. z o.o. was incorporated in 2018 to market tie-in products related to CD PROJEKT S.A.'s games and brands. The company distributes its wares through the [CD PROJEKT RED GEAR merch store](#). CD PROJEKT RED STORE sp. o.o. is wholly owned by CD PROJEKT S.A. and its earnings are consolidated within the CD PROJEKT Group.

Justification

Adoption of a General Meeting resolution concerning the merger between CD PROJEKT S.A. and CD PROJEKT RED STORE sp. z o.o. (by transferring the entirety of CD PROJEKT RED STORE sp. z o.o. assets to CD PROJEKT S.A.) will simplify the structure of the CD PROJEKT Group and help optimize the costs of the aforementioned business activities in light of the planned changes in the online store's management model. In line with the CD PROJEKT Group Strategy Update, the Group intends to continue the existing operations of CD PROJEKT RED STORE sp. z o.o. in cooperation with a specialized external entity. Granting a license to maintain the store to a third party will also help the Company focus on its core activities – developing and publishing videogames, and developing its brands and franchises.

Allocation of expenses related to convocation and organization of the EGM to the Company

The requirement to adopt a resolution concerning allocation of expenses related to convocation and organization of the General Meeting stems from the Commercial Companies Code when the General Meeting is called upon request of a shareholder who represents at least 1/20 of the Company share capital.

Justification

Given the fact that the resolution concerning changes in the composition of the Supervisory Board is required for the operations of the Company, and also given the fact that the original agenda of the General Meeting, as proposed by the shareholder, was extended with other draft resolutions on the CD PROJEKT Management Board's initiative, it is justifiable to require the Company to cover expenses related to convocation and organization of this General Meeting.

Communication with shareholders

CD PROJEKT strives to provide investors with equal access to reliable information concerning the Company's business activities. To this end, the Company employs a range of communication tools targeting individual investors, analysts representing brokerage houses and investment fund managers.

The Company responds to inquiries submitted by any of its shareholders, regardless of their capital involvement.

We encourage you to contact us:

Address

ul. Jagiellońska 74
03-301 Warszawa

e-mail

gielda@cdprojekt.com

Phone

+48 22 519 69 00

Frequently asked questions

Who is entitled to participate in the Extraordinary General Meeting (GM) of CD PROJEKT S.A. convened on 22 December 2022

The right to participate in the General Meeting appertains to parties who will have held at least one share of CD PROJEKT S.A. stock in their securities account sixteen days prior to the date of the General Meeting, i.e. on 4 December 2022 (this date is referred to as "Registration Day").

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

First, you have to be a shareholder of CD PROJEKT S.A. on the Registration Day. Furthermore, you need to contact the brokerage house which manages the securities account where your CD PROJEKT S.A. shares are deposited, and request a named certificate of eligibility for participation in the GM. Shareholders can do so between the day on which convocation of the EGM is announced (22 November 2022) and the first business day following the Registration Day (5 December 2022).

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

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

The Company will provide each shareholder entitled to participate in the GM with access to the list of all shareholders entitled to participate in the GM. This list can be accessed at the registered office of CD PROJEKT S.A. at Jagiellońska 74, Warsaw, between 9:00 and 16:00 throughout the three business days immediately preceding the General Meeting, i.e. on 15, 16 and 19 December 2022.

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

Extraordinary General Meeting – important information



Date: 20 December 2022

Time: 10:00 CEST*

Participation:



personal or through
a plenipotentiary



remote using
electronic communication
tools

Key dates:

- **22 November 2022:** convocation of the General Meeting
- **4 December 2022:** Registration Day
- **5 December 2022:** first business day following the Registration Day
- **15, 16 and 19 December 2022:** days on which the list of shareholders entitled to participate in the EGM will be made available
- **20 December 2022:** General Meeting date

* All shareholders who wish to personally participate in the upcoming General Meeting are requested to arrive ahead of time and complete their registration by 10 a.m. Access to the meeting room will be provided starting from 9 a.m.



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

The Company provides shareholders with a remote participation option using electronic communication tools. Of course, physical participation at CD PROJEKT S.A. offices in Warsaw, will still be possible.

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

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

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

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

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

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

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

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

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

Who is authorized to submit draft resolutions?

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

The abovementioned demand should be submitted to the Management Board of the Company not later than 21 days prior to the date of the Extraordinary General Meeting, i.e. by 29 November 2022.

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

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

Given the intent to apply Practice 4.8 of the Best Practices for WSE Listed Companies, draft resolutions concerning matters on the EGM agenda should be submitted by shareholders not later than 3 days before the EGM. Nevertheless, in line with Art. 401 § 5 of the Commercial Companies Code, any shareholder may also introduce draft resolutions concerning matters on the EGM agenda while the Extraordinary General Meeting is in progress.

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

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

The above-mentioned documents include, among others:

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

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

What language can I use to address the General Meeting and exercise voting rights?

Documentation related to the Extraordinary General Meeting is prepared in Polish and fully translated into English. The Extraordinary General Meeting itself, at the CD PROJEKT HQ, will be held in Polish, with a live translation into English provided online. Tools which enable remote participation and exercise of voting rights are adapted to the needs of both Polish- and English-speaking participants.¹

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

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

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