



CD PROJEKT®

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 invite you to take part in the Extraordinary General Meeting of CD PROJEKT S.A., which will be held on 18 April 2023 at 10:00 at the Company headquarters – Warsaw, Jagiellońska 74. As usual, for those of you who cannot attend in person we will also provide the option to participate and exercise voting rights using online tools.

At the General Meeting we will vote, among others, on a reformulation of our Incentive Program, the introduction of which is of strategic importance for the future of the CD PROJEKT Group and for its further growth.

The global character of the videogame industry and the resulting fierce competition for talent on the labor market means that the employment conditions offered by us must remain attractive and competitive compared to other gamedev studios where it is customary to have similar incentive programs in place.

Effective acquisition, incentivization and retention of talented employees is crucial for the artistic and commercial success of our products, and represents a foundation upon which ambitious business goals can be achieved by the Company.

In the proposed resolutions we have decided to institute two separate Incentive Programs and introduce a number of changes compared to proposals which were voted upon at the Extraordinary General Meeting in December 2022. These changes aim to ensure that instituting both Programs is fully aligned with the interest of our Shareholders and of the Company itself.

We believe that introducing these Programs will have a positive effect on the Group's capability to meet its strategic goals, and will contribute to long-term growth in its value.

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	Resolutions no.	Management Board recommendation
<u>Repealing the resolution which introduces the new Incentive Program for 2023-2027 in its originally proposed shape, and introducing the corresponding amendments to the resolution cancelling the Incentive Program for 2020-2025</u>	3, 4	SUPPORT
<u>Instituting the new Incentive Program A for 2023-2027</u>	5, 6	SUPPORT
<u>Instituting the new Incentive Program B for 2023-2027</u>	7, 8	SUPPORT
<u>Redemption of the Company's own shares and the corresponding reduction in the Company's share capital Introduction of a new Incentive Program for 2023-2027</u>	8, 9	SUPPORT

Repealing the resolution which introduces the new Incentive Program for 2023-2027 in its originally proposed shape, and introducing the corresponding amendments to the resolution cancelling the Incentive Program for 2020-2025

In draft Resolutions 6 and 7 of the Extraordinary General Meeting of 20 December 2022 the General Meeting is asked to vote upon, among others, a new Incentive Program for the years 2023-2027 and the directly related issuance of subscription warrants incorporating the right to take up Company shares with exclusion of pre-emption rights for existing shareholders, along with a conditional increase in the Company's share capital. Given that Resolution 7 failed to gain the required supermajority of votes, the new Incentive Program cannot be effectively implemented by the Company in its originally proposed shape. Consequently, and also given the Company's intent to introduce two distinct Incentive Programs which incorporate changes compared to the provisions voted upon in December 2022, the resolution which instituted the Incentive Program for 2023-2027 should be repealed.

Moreover, the entry into force of Resolution no. 5 of the General Meeting of 20 December 2022 which cancels the Incentive Program for 2020-2025, was conditioned upon adoption of several resolutions which together institute a new Incentive Program for the years 2023-2027. Given the proposed change in the structure of the Incentive Program, particularly the intent to split it into two distinct programs, the wording of the previously adopted resolution should be adapted to the new concept of the Incentive Programs.

Resolutions concerning institution of Incentive Program A for 2023-2027

In draft Resolutions 5 and 6 the General Meeting is asked to vote upon the launch of the new Incentive Program A for 2023-2027 and the corresponding required issuance of subscription warrants incorporating the right to take up Company shares with exclusion of pre-emption rights for existing shareholders, along with a conditional increase in the Company's share capital.

Below we present key points of the proposed Incentive Program A for 2023-2027. Detailed information concerning its terms, structure and mechanisms can be found in the corresponding draft resolutions.

Goals of the Program

The primary goals of Incentive Program A for 2023-2027 are as follows:

- creating mechanisms which reinforce the link between the Participants and the Company as well as other companies belonging to its Group;
- incentivizing Participants to implement the Company's strategy, maximizing its financial and non-financial performance indicators;
- improving the international competitiveness of employment conditions offered by the Company and other member companies belonging to its Group.

Attracting and retaining employees and collaborators who possess key competences required in the implementation of the CD PROJEKT Group's Strategy is essential for its success, and a prerequisite of long-term growth in the Company's shareholder value.

Participants

Participation in Incentive Program A is offered to employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group (except for members of the Management Board of CD PROJEKT S.A.) selected by the Management Board of the Company.

Structure of the program

Within the framework of Incentive Program A, entitlements will be assigned in five separate stages – the first one concluding by 30 June 2023, and each subsequent stage concluding by 31 March of the corresponding year (2024-2027). The assigned entitlements will enable Program participants to take up Company shares following a vesting period of between 3 and 5 years.

The assigned entitlements will enable Participants to take up or purchase Company shares following a vesting period of at least three years.

The following table provides more detailed information concerning Incentive Program A.

Aspect of the program	Description
Vesting of the program	<p>Participants will be able to exercise their right to claim a certain number of Company shares through one of two mechanisms selected by the Company:</p> <ul style="list-style-type: none"> a) taking up shares in the exercise of subscription warrants assigned to Participants for this purpose, or b) purchasing shares which the Company will have previously bought back on the market. <p>Either mechanism will enable the Participant to receive a certain number of Company shares at a predetermined price – thus, from the point of view of the Participant it does not matter which mechanism will be selected.</p>
Vesting condition	Loyalty condition – maintaining continuity of employment
Participants	Employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group <u>except members of the Management Board of the Company</u>
Means and cost of exercising entitlements	Taking up or purchasing Company shares at a price equivalent to their nominal value
Number of entitlements on offer	The total number of entitlements exercised in the course of Incentive Program A may not exceed 1 500 000 (not more than 300 000 for each of the Program's five stages)
Vesting period	3 years
Verification of conditions and exercise of entitlements	After the end of each respective vesting period
Price reduction mechanism	Not applicable

In the Management Board's opinion, the proposed structure of the program is consistent with the shareholders' interest and supports long-term growth in the value of the CD PROJEKT Group.

Resolutions concerning institution of Incentive Program B for 2023-2027

In draft Resolutions 7 and 8 the General Meeting is asked to vote upon the launch of the new Incentive Program B for 2023-2027 and the corresponding required issuance of subscription warrants incorporating the right to take up Company shares with exclusion of pre-emption rights for existing shareholders, along with a conditional increase in the Company's share capital.

Below we present key points of the proposed Incentive Program B for 2023-2027. Detailed information concerning its terms, structure and mechanisms can be found in the corresponding draft resolutions.

Goals of the Program

The primary goals of Incentive Program B for 2023-2027 are as follows:

- creating mechanisms which reinforce the link between the Participants and the Company as well as other companies belonging to its Group;
- incentivizing Participants to implement the Company's strategy, maximizing its financial and non-financial performance indicators;
- improving the international competitiveness of employment conditions offered by the Company and other member companies belonging to its Group.

Attracting and retaining employees and collaborators who possess key competences required in the implementation of the CD PROJEKT Group's Strategy is essential for its success and a prerequisite of long-term growth in the Company's shareholder value.

Participants

Participation in Incentive Program B is offered to employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group (including members of the Management Board of the Company and of other companies belonging to its Group) selected by the Management Board of the Company (or, with regard to members of the Management Board – by the Supervisory Board of the Company).

Structure of the program

Within the framework of Incentive Program B, entitlements will be assigned in five separate stages – the first one concluding by 30 June 2023, and each subsequent stage concluding by 31 March of the corresponding year (2024-2027).

The assigned entitlements will enable Participants to take up or purchase Company shares following a vesting period of at least three years.

The following table provides more detailed information concerning Incentive Program B.

Aspect of the program	Description
Vesting of the program	<p>Participants will be able to exercise their right to claim a certain number of Company shares through one of two mechanisms selected by the Company:</p> <ol style="list-style-type: none"> taking up shares in the exercise of subscription warrants assigned to Participants for this purpose, or purchasing shares which the Company will have previously bought back on the market. <p>Either mechanism will enable the Participant to receive a certain number of Company shares at a predetermined price – thus, from the point of view of the Participant it does not matter which mechanism will be selected.</p>
Vesting condition	<p><u>With regard to 70% of entitlements:</u></p> <ul style="list-style-type: none"> loyalty condition – maintaining continuity of employment, and earnings condition, which is based on the aggregate consolidated net earnings of the CD PROJEKT Group from continuing operations beginning with the year to which the given stage applies, and inclusive of the costs of valuation of Entitlements assigned during the given stage, as entered in the books of CD PROJEKT Group member entities. Note: this goal will cover a period of at least four financial years; <p><u>With regard to 30% of entitlements:</u></p> <ul style="list-style-type: none"> loyalty condition – maintaining continuity of employment, and market condition, which refers to a change in the price of Company stock in such a way that the percentage difference in the price of Company stock at the end of the final trading day on WSE for the final financial year subject to verification in the scope of the corresponding Earnings Condition compared to the price of Company stock at the end of the final trading day on WSE for the year immediately preceding the year to which the given stage applies outperforms the corresponding change in the WIG index for the same period by at least 10 percentage points; <p>With regard to some or all assigned Entitlements, additional individual conditions may be imposed for the given Participant or their team.</p> <p>Earnings conditions and individual conditions (if any) will be set separately for each stage.</p>
Earnings condition for exercise of entitlements assigned during the first stage (in the financial year 2023)	<p>Consolidated aggregate net profit of at least 2 billion PLN for the financial years 2023-2026.</p>
Participants	<p>Employees of CD PROJEKT S.A. and other member companies of the CD PROJEKT Group <u>including members of the Management Board of the Company</u></p>

Means and cost of exercising entitlements	<p>Taking up or purchasing Company shares at a price equivalent to the closing price of Company stock on WSE on the final trading day preceding the date of adoption of a resolution concerning enrollment of the given participant in the Program.</p> <p>The number of entitlements exercised, along with the take-up or purchase price of shares, may be reduced by applying the price reduction mechanism.</p>
Number of entitlements on offer	The total number of entitlements exercised in the course of Incentive Program B may not exceed 3 500 000 (not more than 700 000 for each of the Program's five stages). In addition, not more than 50% of all entitlements offered under this Program (i.e. not more than 1 750 000) may be assigned to members of the Management Board of the Company.
Vesting period	At least three years
Verification of conditions and exercise of entitlements	At the end of each respective vesting period which covers four years with regard to all Conditions; however, with regard to the Earnings Condition and the Loyalty Condition verification will additionally be performed after three years of the corresponding vesting period have elapsed.
Price reduction mechanism	The Company is authorized to extend an offer to participants to apply a reduction in the exercise price of entitlements along with a reduction in the number of exercisable entitlements in such a way that the economic effect is equivalent to exercising the originally assigned (greater) number of entitlements and their original (higher) exercise price.

In the Management Board's opinion, the proposed structure of the program is consistent with the shareholders' interest and supports long-term growth in the value of the CD PROJEKT Group.

Redemption of Company shares and the associated reduction in the Company share capital

On the basis of Resolution no. 4 of the Extraordinary General Meeting of 29 November 2016 and the corresponding resolutions of the Management Board, between 5 and 24 October 2022 the Company carried out buy-back of its own shares for the purposes of redemption. As a result, 860 290 shares were bought back by the Company.

The first of the relevant two resolutions concerns fulfillment of the Company's obligation to redeem the shares which it had bought back. The second resolution is a direct consequence of redemption of Company shares, which entails the need to lower the Company share capital by an amount equivalent to the nominal value of shares subject to redemption.

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 18 April 2023

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 2 April 2023 (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 March 2023) and the first business day following the Registration Day (3 April 2023).

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 13, 14 and 17 April 2023.

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: 18 April 2023

Time: 10:00 CEST*

Participation:



personal or through
a plenipotentiary



remote using
electronic communication
tools

Key dates:

- **22 March 2023:** convocation of the General Meeting
- **2 April 2023:** Registration Day
- **3 April 2023 :** first business day following the Registration Day
- **13, 14 and 17 April 2023 :** days on which the list of shareholders entitled to participate in the EGM will be made available
- **18 April 2023:** 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 28 March 2023.

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.

1. While we make every effort to ensure that the English translation remains faithful to the original, it may nevertheless contain discrepancies, omissions or approximations. In case of any differences between the Polish and English versions, the Polish version shall prevail. CD PROJEKT, its representatives and its employees decline all responsibility in this regard.

