

CD Projekt Spółka Akcyjna

## A statement on the company's compliance with the corporate governance principles contained in Best Practice for GPW Listed Companies 2021

According to the current status of compliance with the Best Practice, the Company does not apply 9 detailed principles: 2.1., 2.2., 2.11.6., 3.1., 3.3., 3.4., 3.6., 3.7., 3.10.

### 1. DISCLOSURE POLICY, INVESTOR COMMUNICATIONS

**In the interest of all market participants and their own interest, listed companies ensure quality investor communications and pursue a transparent and fair disclosure policy.**

**1.1.** Companies maintain efficient communications with capital market participants and provide fair information about matters that concern them. For that purpose, companies use diverse tools and forms of communication, including in particular the corporate website where they publish all information relevant for investors.

*The principle is applied.*

**Comments of the Company:** At CD PROJEKT we strive to provide investors, analysts and fund managers with fair access to reliable information concerning our ongoing business activities. Our corporate website contains a broad selection of materials, including information regarding the activities of the CD PROJEKT Group, its strategy, financial results, shareholding structure of CD PROJEKT S.A. and key business and corporate events. These materials are published in Polish and in English. We respond to queries from investors and analysts by e-mail and by phone. In our communication activities we also make use of social media channels, enabling us to reach a broad community of stakeholders and provide them with information about the CD PROJEKT Group. We furthermore take part in domestic and international investors' conferences, as well as in online chat sessions accompanying period publications of financial results.

**1.2.** Companies make available their financial results compiled in periodic reports as soon as possible after the end of each reporting period; should that not be feasible for substantial reasons, companies publish at least preliminary financial estimates as soon as possible.

*The principle is applied.*

**Comments of the Company:** We strive to publish our financial results, in the form of periodic reports as soon as practicable following the close of each reporting period, having obtained reliable information concerning licensing royalties receivable for the given reporting period. Should compelling reasons prevent us from following our reporting schedule, we shall strive to publish information on estimated results.

**1.3.** Companies integrate ESG factors in their business strategy, including in particular:

**1.3.1.** environmental factors, including measures and risks relating to climate change and sustainable development;

*The principle is applied.*

**Comments of the Company:** Our adopted business strategy includes ESG-related ambitions, including those related to environment and climate. Detailed information regarding our ESG policy can be found on our website under the "Sustainability" tab and in the sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities.

**1.3.2.** social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

*The principle is applied.*

**Comments of the Company:** Our adopted business strategy includes ESG-related ambitions, including those which concern team members and social engagement. Detailed information regarding our ESG policy, along with a list of specific goals, performance indicators and identified risks, can be found on our website under the "Sustainability" tab and in the sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities.

**1.4.** To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

*The principle is applied.*

**Comments of the Company:** Together with our business Strategy we published a series of deep-dive presentations by members

of the Management Board responsible for respective areas of Company activities. Detailed information regarding the Company's approach to ESG can also be found on the Company website under the "Strategy" and "Sustainability" tabs. Our progress towards the stated goals is presented in the sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities.

- 1.4.1.** explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

The principle is applied.

**Comments of the Company:** In 2023 we carried out an assessment of double materiality regarding the areas of sustainability in compliance with the guidelines of European Sustainability Reporting Standards. As a result of the assessment we created a matrix of material sustainability issues for the CD PROJEKT Group based on their impact materiality and financial materiality. Due to the fact that, as any other business activity, we have an impact on our surroundings, including environment and climate, we also considered as material the issue named "Reducing greenhouse gas emissions in the value chain and implementing energy-efficient solutions". In line with our Environmental Policy we pledge to take environmental protection issues into account when making business decisions. We present on our website our Environmental Statement including the environmental goals set for each given year. The risk related to environment and climate is managed in line with the Risk Management Procedure being in force at the Company. In the sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities, we present an analysis of risks and opportunities in the short-, medium- and long-term perspectives.

- 1.4.2.** present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The principle is applied.

**Comments of the Company:** We attach great weight to equal treatment of all employees, including equitable remuneration and access to career advancement opportunities regardless of gender, age or nationality. Our employment structure is tied to the specific character of the videogame industry, both in Poland and abroad. In the sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities, we publish the pay gap coefficient which is calculated in accordance with the European Sustainability Reporting Standards (ESRS), and, additionally, the Compa Ratio coefficient which, in our opinion, accurately reflects gender-related variance in remuneration. Our aim is to keep the CR figure at a maximum of 2%. In addition to the above, we employ a benchmarking system whereby we compare our remuneration practices to market data - in the form of independent remuneration reports. Our system is based on merit-related criteria.

- 1.5.** Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

The principle is applied.

**Comments of the Company:** The sustainability statement, which is part of the Management Board report on CD PROJEKT Group activities, provides information on the Company's activities in the scope of social engagement, along with the value of donations made by the Company and the Group to charities.

- 1.6.** Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.

The principle is applied.

**Comments of the Company:** In conjunction with our quarterly, semiannual and annual financial results releases we organize meetings for shareholders, analysts, industry experts and media representatives, where members of our Management Board provide updates and comments regarding the implementation of our adopted business strategy, key events which may affect the Group's activities, and financial results achieved for the given reporting period. In addition, Board Members also issue clarifications and answer questions related to, among others, the presented results and current production plans. These meetings are organized in the form of live conferences, video conferences and chat sessions aimed at individual investors.

- 1.7.** If an investor requests any information about a company, the company replies immediately and in any case no later than within 14 days.

The principle is applied.

**Comments of the Company:** We strive to engage in direct dialogue with investors, primarily via e-mail phone calls, and also during meetings, conferences and teleconferences, while at the same time protecting our trade secrets and other factors arising from legal regulations. The Company strives to respond to investors' questions without undue delay.

## **2. MANAGEMENT BOARD, SUPERVISORY BOARD**

**To ensure top standards of the responsibilities and effective performance of the management board and the supervisory board of a company, only persons with the adequate competences, skills and experience are appointed to the management board and the supervisory board.**

**Management Board members act in the interest of the company and are responsible for its activity. The**

**management board is responsible among others for the company's leadership, engagement in setting and implementing its strategic objectives, and ensuring the company's efficiency and safety.**

**Supervisory board members acting in their function and to the extent of their responsibilities on the supervisory board follow their independent opinion and judgement, including in decision making, and act in the interest of the company.**

**The supervisory board functions in the spirit of debate and analyses the position of the company in the context of the sector and the market on the basis of information provided by the management board of the company and via the company's internal systems and functions and obtained from external sources, using the output of its committees. The supervisory board in particular issues opinions on the company's strategy, verifies the work of the management board in pursuit of defined strategic objectives, and monitors the company's performance.**

- 2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.  
*The principle is not applied.*  
**Comments of the Company:** *Thus far, the Supervisory Board and the General Meeting have not adopted formal diversity regulations related to our corporate bodies. Nevertheless, in 2019 we adopted a Diversity Policy. Pursuant to this policy, a general non-discrimination principle applies to members of the Management Board and Supervisory Board, as well as to all team members. Furthermore, the Company is a signatory to the Diversity Charter, which prohibits workplace discrimination and obligates its signatories to engage in activities which foster and promote diversity. Diversity, equality and respect for human rights are among the core values enshrined in our "Rules of the Game: Business and Ethics Standards at the CD PROJEKT Group". The Company also monitors legislative changes concerning gender diversity and plans to take actions, which will be necessary to ensure compliance with the requirements arising from such provisions of law. At the time of this declaration we have not achieved the minority gender ratio of 30% on the Management Board of the Company, while from 1 January 2025 the ratio of the underrepresented gender on the Supervisory Board is 40%.*
- 2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.  
*The principle is not applied.*  
**Comments of the Company:** *According to the explanation presented in regard to principle 2.1, thus far the Supervisory Board and the General Meeting have not adopted formal diversity regulations related to corporate bodies of the Company. The selection of the members of the Management Board and the members of the Supervisory Board is primarily based on factors such as professional experience, education, as well as knowledge and skills, including those related to the industry in which the Company operates. At the time of this declaration we have not achieved the minority gender ratio of 30% on the Management Board of the Company, while from 1 January 2025 the ratio of the underrepresented gender on the Supervisory Board is 40%.*
- 2.3. At least two members of the supervisory board meet the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company.  
*The principle is applied.*  
**Comments of the Company:** *Members of the Company's Supervisory Board submit declarations of independence, including the lack of any actual and material relations with any shareholder who holds at least 5% of the total vote in the Company. According to the submitted declarations, three members of the Company's Supervisory Board meet independence criteria and have no actual and material relations with any shareholder who holds at least 5% of the total vote in the Company.*
- 2.4. The supervisory board and the management board vote in an open ballot unless otherwise required by law.  
*The principle is applied.*  
**Comments of the Company:** *Voting at Supervisory Board meetings is conducted in open ballots. A secret ballot may be instituted upon request of a Supervisory Board member, as well as in specific matters listed in the Commercial Companies Code. Voting at Management Board meetings is conducted in open ballots unless the applicable laws specify otherwise, or unless at least one Management Board member requests a secret ballot.*
- 2.5. Members of the supervisory board and members of the management board who vote against a resolution may have their dissenting vote recorded in the minutes.  
*The principle is applied.*  
**Comments of the Company:** *Both with regard to members of the Supervisory Board and the Management Board, those who vote against a resolution have the right to have their dissent recorded in the minutes.*
- 2.6. Functions on the management board of a company are the main area of the professional activity of management board members. Management board members should not engage in additional professional activities if the time devoted to such activities prevents their proper performance in the company.  
*The principle is applied.*  
**Comments of the Company:** *Involvement in the Management Board represents the main area of professional activity of each Board member.*
- 2.7. A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.  
*The principle is applied.*

**Comments of the Company:** According to the Articles of Association and Management Board Regulations, a member of the Management Board is not allowed to sit on corporate bodies of entities which do not belong to the CD PROJEKT Group without the approval of the Supervisory Board.

- 2.8. Supervisory board members should be able to devote the time necessary to perform their duties.  
The principle is applied.  
**Comments of the Company:** Members of the Supervisory Board devote sufficient time to performance of their duties to ensure that these duties are properly discharged, subject to existing circumstances and requirements.
- 2.9. The chair of the supervisory board should not combine this function with that of chair of the audit committee of the supervisory board.  
The principle is applied.  
**Comments of the Company:** The function of the Chairperson of the Audit Committee is held by an independent member of the Supervisory Board and is not combined with the function of the Chairperson of the Supervisory Board.
- 2.10. Companies allocate administrative and financial resources necessary to ensure efficient functioning of the supervisory board in a manner adequate to their size and financial standing.  
The principle is applied.  
**Comments of the Company:** We provide the Supervisory Board with appropriate administrative, technical and organizational resources which are necessary for its efficient functioning.
- 2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:
- 2.11.1. information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;  
The principle is applied.  
**Comments of the Company:** The Supervisory Board prepares an annual report on its activities during the given financial year and submits it to the Ordinary General Meeting. The report describes the composition of the Supervisory Board and its committees, indicating which members of the Supervisory Board meet independence criteria, along with any actual and material relations with any shareholder who holds at least 5% of the total vote in the Company.
- 2.11.2. summary of the activity of the supervisory board and its committees;  
The principle is applied.  
**Comments of the Company:** The Supervisory Board report details the work of the Supervisory Board throughout the reporting period, including the execution of the Audit Committee's tasks.
- 2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;  
The principle is applied.  
**Comments of the Company:** The Supervisory Board performs an assessment of the condition of the Company, including its internal control systems, risk management, compliance and internal audit.
- 2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;  
The principle is applied.  
**Comments of the Company:** The Supervisory Board performs an assessment of compliance with the corporate governance principles, and discharge of the indicated disclosure obligations.
- 2.11.5. assessment of the rationality of expenses referred to in principle 1.5;  
The principle is applied.  
**Comments of the Company:** The Supervisory Board performs an assessment of the rationality of expenses referred to in principle 1.5.
- 2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.  
The principle is not applied.  
**Comments of the Company:** Report submitted by the Supervisory Board does not specify the extent to which the diversity policy is implemented in relation to the Management Board and the Supervisory Board, including the achievement of the corresponding objectives. According to the explanation provided to the principle 2.1, to date, the Supervisory Board and the General Meeting have not adopted a regulation that would set diversity goals and criteria for members of the corporate bodies. Should the Company decide to adopt the corresponding regulation, the Supervisory Board's report will include the applicable disclosures.

### 3. INTERNAL SYSTEMS AND FUNCTIONS

**Efficient internal systems and functions are an indispensable tool of exercising supervision over a company.**

**The systems cover the company and all areas of activity of its group which have a significant impact on the position of the company.**

- 3.1. Listed companies maintain efficient internal control, risk management and compliance systems and an efficient internal audit function adequate to the size of the company and the type and scale of its activity; the management board is responsible for their functioning.  
*The principle is not applied.*  
**Comments of the Company:** We partially deviate from this principle insofar that we have not established a distinct internal audit function. Internal control at the Company is implemented on the basis of our existing managerial framework. Responsibility in this scope falls to persons who possess the appropriate substantive competences. These are, in particular, employees of our Legal Department (in particular, the Corporate Law and Privacy & Compliance Teams), the Tax Department, Accounting, Finance (in particular, the Financial Control Team), and the Investor Relations Department (including the ESG Team which operates within its framework). A formalized risk management system is in place, operating on the basis on the Risk Management Procedure, as well as a compliance management system, operating on the basis of the Compliance Policy. There is no distinct internal audit unit within our structure. Should we decide to separate such a function, we will apply the above principle.
- 3.2. Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.  
*The principle is applied.*  
**Comments of the Company:** Maintaining the internal control system is the responsibility of the Management Board, managerial staff and other employees whose tasks involve accounting, financial and operational supervision, along with Legal Department, the Tax Department and the Investor Relations Department. Responsibility for appropriate preparation of financial statements rests with the Chief Accountant and the CFO. Identification, analysis and monitoring of risks is the responsibility of directors (referred to as risk owners). Overseeing compliance is the responsibility of the Chief Compliance Officer.
- 3.3. Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.  
*The principle is not applied.*  
**Comments of the Company:** To date, we have not appointed an internal auditor in the form of a separate organizational unit. Should we decide to appoint an internal auditor, we will apply the above principle.
- 3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.  
*The principle is not applied.*  
**Comments of the Company:** Base remuneration of persons responsible for risk and compliance management is fixed and follows existing market standards. To date, we have not appointed an internal auditor in the form of a separate organizational unit, hence we are unable to comment upon the remuneration provided to such a unit.
- 3.5. Persons responsible for risk and compliance management report directly to the president or other member of the management board.  
*The principle is applied.*  
**Comments of the Company:** Persons responsible for risk and compliance management report directly to designated members of the Management Board.
- 3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.  
*The principle is not applied.*  
**Comments of the Company:** To date, we have not appoint an internal auditor in the form of a separate organizational unit. Should we decide to appoint an internal auditor, we will apply the above principle.
- 3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.  
*The principle is not applied.*  
**Comments of the Company:** We partly deviate from this principle - i.e. as to the appointing individuals responsible for risk management and internal audit functions at the Group's significant member companies. Our subsidiaries have limited organizational frameworks which are adapted to the size of each such entity. With regard to compliance management system, our subsidiaries individually appoint persons responsible for compliance.
- 3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.  
*The principle is applied.*  
**Comments of the Company:** The Management Board submits to the Supervisory Board its annual assessment of the efficiency of internal systems, including internal control system, risk management and compliance management systems, and internal audit. This assessment is provided in the form of a report.
- 3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the

annual assessment of the efficiency of such systems and functions.

*The principle is applied.*

**Comments of the Company:** *The Supervisory Board performs an annual assessment of the efficiency of internal systems and functions by issuing an activity report for each financial year, together with an assessment of work performed by the Supervisory Board. The Audit Committee monitors the efficiency of systems and functions specified in principle 3.1.*

- 3.10.** Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

*The principle is not applied.*

**Comments of the Company:** *To date, we have not appointed an internal auditor in the form of a separate organizational unit. Should we decide to appoint an internal auditor, we will apply the above principle.*

## **4. GENERAL MEETING, SHAREHOLDER RELATIONS**

**The management board and the supervisory board of listed companies should encourage the engagement of shareholders in matters of the company, in particular through active participation in the general meeting, either in person or through a proxy.**

**The general meeting should proceed by respecting the rights of all shareholders and ensuring that passed resolutions do not infringe on legitimate interests of different groups of shareholders.**

**Shareholders who participate in a general meeting exercise their rights in accordance with the rules of good conduct. Participants of a general meeting should come prepared to the general meeting.**

- 4.1.** Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

*The principle is applied.*

**Comments of the Company:** *The Company provides its shareholders with the ability to participate in General Meetings remotely and exercise their voting rights using electronic communication tools.*

- 4.2.** Companies set the place and date and the form of a general meeting so as to enable the participation of the highest possible number of shareholders. For that purpose, companies strive to ensure that the cancellation of a general meeting, change of its date or break in its proceedings take place only if justified and do not prevent or limit the exercising of the shareholders' rights to participate in the general meeting.

*The principle is applied.*

**Comments of the Company:** *When convening a General Meeting the Company strives to select a suitable date and venue so as to enable the greatest possible number of shareholders to participate. The Management Board organizes General Meeting at the Company's headquarters, permitting shareholders to participate personally, through a proxy or using electronic communication tools. Should a General Meeting be canceled, rescheduled or adjourned, we will provide appropriate information in a manner that will not in any way restrict shareholders from exercising their right to participate in the General Meeting.*

- 4.3.** Companies provide a public real-life broadcast of the general meeting.

*The principle is applied.*

**Comments of the Company:** *We provide webcasts of our General Meetings on our corporate website using a live data streaming platform. General Meeting materials, including video recordings, are available on our website.*

- 4.4.** Presence of representatives of the media is allowed at general meetings.

*The principle is applied.*

**Comments of the Company:** *Media representatives are allowed to attend our General Meetings.*

- 4.5.** If the management board becomes aware a general meeting being convened pursuant to Article 399 § 2 - 4 of the Commercial Companies Code, the management board immediately takes steps which it is required to take in order to organise and conduct the general meeting. The foregoing applies also where a general meeting is convened under authority granted by the registration court according to Article 400 § 3 of the Commercial Companies Code.

*The principle is applied.*

**Comments of the Company:** *Should the Management Board receive information of a General Meeting to be convened pursuant to Art. 399 § 2 - 4 as well as Art. 400 § 3 of the Commercial Companies Code, it will immediately takes steps required to take in order to organise and conduct the General Meeting.*

- 4.6.** To help shareholders participating in a general meeting to vote on resolutions with adequate understanding, draft resolutions of the general meeting concerning matters and decisions other than points of order should contain a justification, unless it follows from documentation tabled to the general meeting. If a matter is put on the agenda of the general meeting at the request of a shareholder or shareholders, the management board requests presentation of the justification of the proposed resolution, unless previously presented by such shareholder or shareholders.

*The principle is applied.*

**Comments of the Company:** *We publish draft resolutions, along with their justifications, on our website. Should a shareholder demand that a specific matter be put on the General Meeting agenda, we will ask the shareholder to provide a corresponding*

justification for the proposed resolution.

- 4.7. The supervisory board issues opinions on draft resolutions put by the management board on the agenda of the general meeting.  
The principle is applied.  
**Comments of the Company:** *The Supervisory Board issues opinions on all draft resolutions submitted by the Management Board in matters covered by the General Meeting agenda.*
- 4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.  
The principle is applied.  
**Comments of the Company:** *As a rule, we apply the provisions of Art. 401 § 5 of the Commercial Companies Code, whereby any shareholder may, during the course of the General Meeting, submit draft resolutions in matters put on the meeting agenda. Nevertheless, we have declared to shareholders our intention to apply the above principle, and defined basic rules for submitting draft resolutions in the Guide to the General Meeting of CD PROJEKT S.A., which is prepared by the Company and published on our website each time a General Meeting is convened.*
- 4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:
- 4.9.1. candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;  
The principle is applied.  
**Comments of the Company:** *Information regarding candidates for members of the Supervisory Board, along with their resumes, is published on our corporate website in advance. We also publicly disclose the candidatures in the form of current reports. We have declared to shareholders our intention to apply the above principle, and defined basic rules for submitting candidatures for membership of the Supervisory Board in the Guide to the General Meeting of CD PROJEKT S.A., available on our website.*
- 4.9.2. candidates for members of the supervisory board make a declaration concerning fulfilment of the requirements for members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and having actual and material relations with any shareholder who holds at least 5% of the total vote in the company.  
The principle is applied.  
**Comments of the Company:** *Each candidate for member of the Supervisory Board submits a declaration concerning fulfilment of the requirements applicable to members of the audit committee referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision, along with any actual and material relations with any shareholder who holds at least 5% of the total vote in the Company.*
- 4.10. Any exercise of the rights of shareholders or the way in which they exercise their rights must not hinder the proper functioning of the governing bodies of the company.  
The principle is applied.  
**Comments of the Company:** *We work to ensure that our dialogue with shareholders serves to safeguard proper exercise of their rights. Thus far, we have not encountered a situation where exercise of shareholders' rights would obstruct the operations of the Company's governing bodies.*
- 4.11. Members of the management board and members of the supervisory board participate in a general meeting, at the location of the meeting or via means of bilateral real-time electronic communication, as necessary to speak on matters discussed by the general meeting and answer questions asked at the general meeting. The management board presents to participants of an annual general meeting the financial results of the company and other relevant information, including non-financial information, contained in the financial statements to be approved by the general meeting. The management board presents key events of the last financial year, compares presented data with previous years, and presents the degree of implementation of the plans for the last year.  
The principle is applied.  
**Comments of the Company:** *Members of the Company's Management Board and Supervisory Board participate in General Meetings insofar as is necessary to address matters on the General Meeting agenda and reply to shareholders' questions. A representative of the Management Board provides participants of an Ordinary General Meeting with a summary of the key points of the financial statement submitted for approval by the General Meeting, including, in particular, the financial results reported therein. In addition to the above, representatives of the Management Board discuss our financial results, progress towards objectives, and key highlights of the preceding year at annual earnings conference organized to summarize each financial year in succession. Recordings and transcripts of these conferences are posted on our website.*
- 4.12. Resolutions of the general meeting concerning an issue of shares with subscription rights should specify the issue price or the mechanism of setting the price or authorise the competent body to set the price prior to the subscription right record date within a timeframe necessary for investors to make decisions.  
The principle is applied.  
**Comments of the Company:** *Thus far we have not submitted to the General Meeting a resolution concerning an issue of shares with subscription rights. However, in the event of such circumstances, the corresponding resolution will specify the issue price or the mechanism of setting the price, pursuant to this principle.*
- 4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:
- a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;
  - b) the persons granted the pre-emptive right are to be selected according to objective general criteria;
  - c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be

determined in book-building on the market.

*The principle is applied.*

**Comments of the Company:** *In our to-date activities, resolutions concerning issue of shares with the exclusion of subscription rights have been adopted in the framework of our incentive programs. The resulting issues of shares with the exclusion of subscription rights and pre-emptive rights for new issue shares assigned to selected shareholders, adopted by General Meeting resolutions, were in the best interest of the Company and resulted from the character of the certain incentive programs' share issues. The goals of the incentive programs in force at the Company have been declared as: aligned with the interests and objectives of shareholders, defined in such a way as to facilitate continued long-term growth of the value of the Company. The issue price of shares issued with the exclusion of subscription rights does not and did not constitute a violation of rights held by the shareholders of the Company who did not participate in the new issue of shares.*

- 4.14.** Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:
- a)** the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;
  - b)** the company reports uncovered losses from previous years and the earnings are used to reduce such losses;
  - c)** the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;
  - d)** the company generates insufficient cash flows to pay out dividends;
  - e)** a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;
  - f)** retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.

*The principle is applied.*

**Comments of the Company:** *The Management Board of the Company adopted in January 2025 the Dividend Policy, which has been published on the Company's website. According to the Dividend Policy the intent of the Management Board is to work towards recommending to the General Meeting the payment of dividends in accordance with the principles set out in the Policy. Individual recommendations of the Management Board on the distribution of profit for a given financial year are made after an analysis of all financial and non-financial aspects that the Management Board considers relevant in order to make a decision in this regard. Prior to the General Meeting date, the Management Board publicly discloses, in the form of a current report, the content of the motion to the General Meeting regarding the allocation of profit for a given financial year, which is subject to the assessment of the Supervisory Board. The final decision regarding the allocation of profit and payment of a dividend rests with the General Meeting.*

## **5. CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS**

**For the purpose of this section, 'related party' is defined within the meaning of the International Accounting Standards approved in Regulation No (EU) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.**

**Companies and their groups should have in place transparent procedures for managing conflicts of interest and for related party transactions where a conflict of interest may occur. The procedures should provide for ways to identify and disclose such cases and the course of action in the event that they occur.**

**Members of the management board and members of the supervisory board should refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the corporate body, and where a conflict of interest arises, they should immediately disclose it.**

- 5.1.** Members of the management board and members of the supervisory board notify the management board or the supervisory board, respectively, of any conflict of interest which has arisen or may arise, and refrain from discussions on the issue which may give rise to such a conflict of interest in their case.

*The principle is applied.*

**Comments of the Company:** *Pursuant to Management Board Regulations, Management Board members should notify the Supervisory Board whenever a conflict of interest has arisen, or may arise, in conjunction with the discharge of their duties. Pursuant to Supervisory Board Regulations, a Supervisory Board member should notify other members of the Supervisory Board whenever a conflict of interest arises. A member of the Management Board or Supervisory Board shall not participate in the consideration of a matter in which a conflict of interest may arise with respect thereto.*

- 5.2.** Where a member of the management board or a member of the supervisory board concludes that a decision of the management board or the supervisory board, respectively, is in conflict with the interest of the company, he or she should request that the minutes of the management board or supervisory board meeting show his or her dissenting opinion.

*The principle is applied.*

**Comments of the Company:** *If a member of the Management Board or the Supervisory Board concludes that a given decision is in conflict with the interest of the Company, their dissenting opinion will be included in the minutes.*

- 5.3.** No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.



The principle is applied.

**Comments of the Company:** Transactions with related parties are carried out in accordance with the adopted internal regulations for concluding transactions with related parties. Company shareholders receive no preferential treatment with regard to their status as shareholders in any transactions with the Company or other entities belonging to the CD PROJEKT Group. Pursuant to Management Board Regulations, the Management Board should exercise due diligence in ensuring that any transactions with shareholders are carried out on market terms.

- 5.4. Companies may buy back their own shares only in a procedure which respects the rights of all shareholders.

The principle is applied.

**Comments of the Company:** The Management Board of the Company make decisions related to the conditions and method of buying back own shares by way of resolutions, respecting the rights of existing shareholders. Actual permission to carry out share buy-back programs is issued by the General Meeting. Information regarding share buy-back programs is disclosed in the form of current reports.

- 5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The principle is applied.

**Comments of the Company:** In justifiable cases the Supervisory Board may seek external advice prior to adopting a resolution which authorizes a transaction with a related party.

- 5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

The principle is applied.

**Comments of the Company:** In cases where a transaction requires General Meeting consent, we will apply the above principle.

- 5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle is applied.

**Comments of the Company:** In cases where decision regarding the conclusion of a significant transaction with a related party is made by the General Meeting, we will apply the above principle.

## 6. REMUNERATION

**Companies and their groups protect the stability of their management teams, among others by transparent, fair, consistent and non-discriminatory terms of remuneration, including equal pay for women and men.**

**Companies' remuneration policy for members of corporate bodies and key managers should in particular determine the form, structure, and method of determining and payment of the remuneration.**

- 6.1. The remuneration of members of the management board and members of the supervisory board and key managers should be sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the company. The level of remuneration should be adequate to the tasks and responsibilities delegated to individuals and their resulting accountability.

The principle is applied.

**Comments of the Company:** In 2020 we adopted, and in 2024 we amended, a Remuneration Policy for members of the Management Board and the Supervisory Board. Remuneration offered to members of the Management Board and Supervisory Board, as well as other top managers is sufficient to attract, retain and motivate individuals who possess the necessary skills for proper management and supervision of the Company. Such remuneration is also commensurate with our financial results and business performance, as well as with the tasks, duties and responsibilities delegated to individual persons.

- 6.2. Incentive schemes should be constructed in a way necessary among others to tie the level of remuneration of members of the company's management board and key managers to the actual long-term standing of the company measured by its financial and non-financial results as well as long-term shareholder value creation, sustainable development and the company's stability.

The principle is applied.

**Comments of the Company:** In adopting incentive programs we are guided by goals which include, among others, creating optimal conditions for an increase in the Company's and its Group's financial results as well as the long-term growth of the Company's and Group's value through the ability to offer competitive employment conditions to employees and collaborators, both domestic and foreign, who possess skills regarded as important for the Company and its Group. In line with existing internal regulations, assignment of variable remuneration to members of the Management Board may depend on achieving certain financial or non-financial criteria.

- 6.3. If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The principle is applied.

**Comments of the Company:** Long-term incentive program for members of the Management Board and top managers is based on conditions specified for predefined, at least three years long periods. Execution of this program is conditioned upon achieving certain increases in the Group's financial results, coupled with long-term growth of the Company's value, by forging a long-term bond between the involved persons and the Group and its goals. Exercise of entitlements granted under the adopted incentive program is furthermore conditioned on meeting loyalty criteria, as well as - in selected cases - additional criteria determined by the Management Board or Supervisory Board.

- 6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.

The principle is applied.

**Comments of the Company:** Members of the Supervisory Board are eligible to receive remuneration on the basis of the rules specified in the Remuneration Policy. Members of the Supervisory Board do not receive any remuneration dependent on the number of meetings held. Members of the Audit Committee obtain additional fixed monthly remuneration in association with their serving in the Audit Committee.

- 6.5. The level of remuneration of supervisory board members should not depend on the company's short-term results.

The principle is applied.

**Comments of the Company:** Members of the Supervisory Board are eligible to receive remuneration on the basis of the rules specified in the Remuneration Policy. Members of the Supervisory Board do not receive any remuneration dependent on the Company's financial short-term results.