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Rules of Procedure for the Management Board (Geschäftsordnung für den Vorstand)

Rules of Procedure for the Management Board of X Research AG

Adopted by the Supervisory Board of X Research AG with its registered seat in Vienna, Austria (the „Company"), on …

§ 1 General

The Management Board shall conduct the Company's business under its own responsibility. It shall take the necessary decisions and measures in performance of this duty. It shall conduct the business taking into account the relevant regulations and the usual principles of trade. It shall be responsible for all matters that are not allocated to the Shareholders' Meeting, the Supervisory Board or one of its committees. Subject to §§ 3 and 4 of these Rules of Procedure, the Management Board shall be responsible collectively for the management of the Company. The members of the Management Board shall provide each other with mutual assistance and shall keep themselves informed about all matters concerning the Company. Each member of the Management Board shall be entitled to inspect all business documents such as the business books and the minutes of the company.

§ 2 Chair

The Supervisory Board may appoint a Chairman of the Management Board and a Deputy Chairman of the Management Board.

§ 3 Distribution of Business Duties

(1) The distribution of the business duties within the Management Board, if the Management Board consists of more than one member, are determined by the Management Board according to the necessities of the management of the business and are subject to approval of the Supervisory Board. The current distribution of business duties is attached as Appendix A.

(2) Resolutions of the complete Management Board shall in any case be required for:

a. decisions concerning all measures and legal transactions that require the consent of the Supervisory Board, and all reports to the Supervisory Board pursuant to § 81 AktG and § 95 para 2 AktG;
b. decisions concerning the fundamental business policy of the company;
c. transactions and measures outside regular business which are of particular importance for the Company;
d. all measures simultaneously affecting the spheres of business of two or more members of the Management Board;
e. the preparation of (i) the annual accounts, (ii) the proposal for dividend distribution and (iii) the annual report
f. the convocation of shareholders' meetings;
g. he objection of resolutions of the shareholders' meeting pursuant to § 196 para I no 4 AKtG;
h. all matters that are subject to approval of the Company's Shareholders' Meeting; and
i. the conclusion of contracts with suppliers and customers, if the agreed sum exceeds EUR 100,000,– (excluding VAT) in the individual case and EUR 250,000,– (excluding VAT) in total in the financial year for

a particular supplier or customer.

§ 4 Duties of the Management Board

(1) The members of the Management Board shall ensure the orderly handling of business in their spheres of business.

(2) The members of the Management Board shall make the decisions in their sphere of business independently, unless a resolution of the complete Management Board is required pursuant to § 3 (2) of these Rules of Procedure.

(3) The members of the Management Board shall inform each other about all important matters in their sphere of business and about such matters that might be of particular importance for other spheres of business.
Each member of the Management Board shall be entitled to demand a resolution in the Management Board concerning any matter of his sphere of business or the sphere of business of another member of the Management Board.

§ 5 Transactions subject to Consent

(1) The Management Board shall require the prior consent of the Supervisory Board for the following transactions, such consent to be given by resolution of the Supervisory Board in accordance with the rules of procedure for the Supervisory Board:

a. the acquisition and disposal of shareholdings (§ 228 UGB) and the acquisition, disposal and closure of enterprises and businesses;

b. the acquisition, disposal and charging of real estate;

c. the establishment and closure of branches;

d. investments exceeding EUR 35,000,– in the individual case and EUR 100,000,– in total in the financial year unless covered by the approved budget (see § 5 para 3 below);

e. the take-out of loans, bonds and credits exceeding the amount of EUR 100,000,– in total in any financial year unless covered by the approved budget (see § 5 para 3 below);

f. the grant of loans and credits exceeding the amount of EUR 100,000,– in total in any financial year unless covered by the approved budget (see § 5 para 3 below);

g. the establishment and termination of lines of businesses and types of production;

h. the determination of general principles of business policy;

i. the determination of principles for granting profit or turnover participations and pension commitments to senior employees within the meaning of § 80 para 1 AktG or any other person;

j. the granting of stock options of the Company to employees and senior employees of the Company or of an affiliated company as well as to members of the management board and the supervisory board of affiliated companies;

k. the appointment of authorized agents (Prokuristen) and the granting of general power of attorney (Handlungsvollmacht);

l. the conclusion of agreements with members of the Supervisory Board by which they commit themselves outside their function as members of the Supervisory Board towards the company or a subsidiary (§ 228 para 3 UGB) to render services for a consideration exceeding a negligible amount; the same shall apply to agreements with undertakings in which a member of the Supervisory Board has a considerable economic interest;

m. the engagement as senior employee (§ 80 AktG), within two years after execution of an audit opinion, of the auditor, the group auditor, the auditor of an affiliated major company or the certified accountant who signed the audit opinion or a person engaged by him, who had a significant position in the audit, in each case to the extent not prohibited pursuant to § 271c UGB;

n. measures by which the Management Board utilizes an authorization granted to it in accordance with § 102 para 3 or 4 AktG;

o. decisions concerning the existence of the Company, or an essential amendment to the object of the Company;

p. the annual budget;

q. the acquisition, lease or other take-overs of foreign companies and businesses;

r. agreements that are both of a fundamental nature and exceptional significance to the Company and that fall outside of normal business transactions and are not single business cases;

s. the purchase or sale of patents, the granting of patent licenses and the purchase of exclusive patent licenses by the Company;

t. transactions (outside the management contract) between the company and a member of the Management Board that grant financial advantages to a member of the Management Board;

u. management decisions in case several members of the Management Board cannot reach a resolution on a certain business issue;

v. any sale or license of all or substantially all of the company's assets; and

w. the issuance of guarantees or letters of comfort or similar obligations exceeding EUR 100,000,– in total in a financial year unless covered by the approved budget (see § 5 para 3 below).

(2) The amounts described in para (1) above shall be considered excluding VAT, if applicable, and are value-based on the monthly index of consumer prices 2010, published by Statistik Austria. Should this index no longer be published the index that approaches this index the closest shall apply as the basis of indexation. The starting point for this indexation clause is the index figure calculated for the month April 2010.

(3) The approval of the transactions and measures listed in para (1) above that are carried out during one fiscal year, is not necessary as far as these transactions and activities are covered by the annual budget approved without any reservation by the Supervisory Board for the respective fiscal year.

(4) The consent may, even for single categories of transactions, be given in advance, if the Supervisory Board or one of its committees has granted authorizations in advance, they shall apply for a maximum of one year in advance. The Management Board shall report on whether the authorizations have been made use of on a yearly basis.

(5) The Management Board will make sure, as far as legally permissible, that the transactions and legal acts mentioned under para (1) above shall be subject to shareholders approval on the level of direct and indirect subsidiaries of the Company.

§ 6 Meetings of the Management Board/Resolutions

(1) If the Management Board consists of two or more members, an ordinary meeting of the Management Board shall take place at intervals as agreed by the Management Board. Extraordinary meetings of the Management Board shall be held according to requirements. They can be convened by each member of the Management Board.

(2) In the event that a member of the Management Board is appointed as Chairman according to § 2 of these Rules of Procedure, such member shall chair the meeting. Otherwise, the meetings shall be chaired by the member of the Management Board oldest in age. To the extent necessary for assessing the decisions to be examined, the members of the Management Board shall be given sufficient opportunity to familiarise themselves with the proposed subject matters of discussion before the meeting.

(3) The Management Board shall constitute a quorum if all Management Board members are present or represented.

(4) Resolutions of the Management Board shall be adopted by simple majority of votes. In the event of tied votes the Chairman of the Management Board, if any, shall have the casting vote.

(5) Resolutions of the Management Board may be passed in and outside of Management Board meetings.

Resolutions may be passed in writing, by fax, by e-mail or orally (including telephone).

§ 7 Illness, Inability to attend, Allocation of leave

In the event of illness and inability to attend, the members of the Management Board shall notify each other immediately. If the other members of the Management Board cannot be reached, the Chairman of the Supervisory Board shall be notified immediately. Holidays shall be allocated between the members of the Management Board by mutual agreement. At the same time, measures shall be taken to ensure the due continuation of business during the leave.

§ 8 Supervisory Board Resolutions

(1) The Management Board shall prepare the materials for resolutions to be adopted by the Supervisory Board and its committees.

(2) The Management Board shall – as far as legally permitted – implement the Supervisory Board's resolutions unless the responsibility for such implementation lies with the Chairman of the Supervisory Board.

§ 9 Reports to the Supervisory Board

The Management Board shall comply with the reporting duties according to the mandatory provisions of the Austrian Stock Corporation Act (§ 81 AktG and § 95 para 2 AktG).

§ 10 Lack of Impartiality

If matters are dealt with in the Management Board that affect the personal or commercial interests of one of its members, this member shall not participate in the adoption of the resolution concerning these matters.

§ 11 Severability

If any provision hereof is or becomes ineffective or invalid, this shall not affect the validity of the remaining provisions of these Rules of Procedure. The Supervisory Board shall without delay resolve to replace the invalid provisions by such provisions that closest reflect their economic purpose.

§ 12 Entry-into-force

These Rules of Procedure shall become effective as of the day resolved by the Supervisory Board.

§ 13 Closing Provision

(1) Each member of the Management Board shall receive a copy of these Rules of procedure against written confirmation of receipt. A copy shall also be delivered to the members of the Supervisory Board.

(2) The Supervisory Board shall resolve on any amendment and/or supplement to these Rules of Procedure.