Partnership Agreement

of the limited commercial partnership

Grünenthal Pharma GmbH & Co. Kommanditgesellschaft

Preamble

In 1980, Dr. Franz Wirtz, Dr. Andreas Wirtz, Dipl.-Kfm. Michael Wirtz, Dr. Hermann Wirtz, and Richard Wirtz, who at the time were the only shareholders of the limited-liability company Grünenthal GmbH, made a new Shareholders' Agreement. The company, which had been founded by the previous generation by entry in the commercial register on 6 January 1946, was run as a family company. Each shareholder formed one family bloc. A Supervisory Board was set up with essential powers to appoint and monitor the General Managers. This Shareholders' Agreement was in force into the year 2002.

Since 1981, from tax perspective the business shares of Grünenthal GmbH represented special business assets of the limited commercial partnership of Libra-Pharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft. For civil law purposes the owners were the shareholders of Grünenthal GmbH. They were the partners in Libra-Pharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft and the shareholders of its general partner, the limited-liability company PharmGesellschaft für pharmazeutische Produkte mbH, in the same proportions.

The partners and shareholders Dr. Franz Wirtz, Dr. Andreas Wirtz, Dipl.-Kfm. Michael Wirtz, and Dr. Hermann Wirtz transferred shares of Grünenthal GmbH, LibraPharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft, and of its general partner, for the benefit of their children through various gifts by way of accelerated inheritance. The deceased partner and shareholder Richard Wirtz was replaced by his daughters Bettina Gottwald and Gabriele Höfermann-Kiefer. There are currently 19 family partners/shareholders with direct participating interests in the three companies.

The partners/shareholders have concluded that the decoupling of civil ownership of the business shares of Grünenthal GmbH from those shares' tax classification as special business assets of Libra-Pharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft entails significant tax risks, especially in the event that a partner/shareholder were to move out of the country. Especially for the younger partners/shareholders, this imposes restrictions on their personal and professional development in a detrimental manner. Therefore the partners/shareholders have reached an agreement to transfer the business shares of Grünenthal GmbH to Libra-Pharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft, so that both civil and tax classification are in compliance. This company, changing its name to Grünenthal Pharma GmbH & Co. KG, a limited commercial partnership, will in the future be the 100-percent shareholder of Grünenthal GmbH, thereby indirectly preserving the shareholders' respective participating interests in the same proportion as previously. The partners/shareholders are in agreement that this transformation should not substantively reduce their formerly direct rights based on Grünenthal GmbH's partnership status. Grünenthal GmbH will remain the central operating company for the entire worldwide pharmaceutical business.

While transferring the business shares of Grünenthal GmbH to Libra-Pharm Gesellschaft für pharmazeutische Produkte mbH & Co. Kommanditgesellschaft, the partners/shareholders also came to an agreement concerning certain changes to the shareholders' agreements from 1980. These changes have the goal of being able to continue running the Grünenthal group of companies as a family business in the next generation as the group of owners grows, while preserving the essential principles of the partnership status.

On 30 January 2007 the partners converted the limited commercial partnership of Grünenthal Pharma GmbH & Co. KG into a unitary limited partnership (Einheitskommanditgesellschaft), and replaced Grünenthal Verwaltungsgesellschaft mbH as its personally liable partner with Grünenthal Verwaltungs GmbH, a limited-liability company under Liechtenstein law with its registered office in Vaduz, all of whose shares are held by Grünenthal Pharma GmbH & Co. KG.

In consideration of the foregoing, the partners hereby make the following agreement.

I. General provisions

§1 Company name, registered office

(1) The name of the Company is:

"Grünenthal Pharma GmbH & Co. Kommanditgesellschaft"

(2) The Company's registered office is in Aachen.

§2 Object and purpose of the enterprise

(1) The object and purpose of the enterprise is to:

a) Conduct pharmaceutical, scientific, and medical research and development activities in the chemical/pharmaceutical, biotech, and medical technologyl field;

b) Produce and distribute chemical/pharmaceutical, biotech, and cosmetic products, dietetic products, diagnostic tools, medical equipment, and other products, along with the wholesale trade in such products and the import and export thereof;

c) Establish and maintain systems and facilities serving the purposes named in (a) and (b), and also to set up laboratories and operating facilities for producing and manufacturing the products named in (a) and (b);

d) Hold participating interests in enterprises having as their object and purpose the activities named in (a) to (c), particularly the 100-percent participating interest in Grünenthal GmbH.

(2) The Company is authorized to pursue its business purpose partially or entirely through holding companies at home and abroad.

§3 Business year

The business year is the calendar year.

§4 The partners and their contributions

(1) The personally liable partner is Grünenthal Verwaltungs GmbH, a limited-liability company with its registered office in Vaduz, Liechtenstein. It makes no capital contribution.

2) The following persons participate as limited partners in the limited liability capital totaling €1,800,000 (one million eight hundred thousand euros):

		Euros
a)	Ms. Carla Doberas, née Wirtz, with a fixed limited partner's contribution of	€ 72,000
b)	Ms. Julia Wirtz with a fixed limited partner's contribution of	€ 72,000
c)	Ms. Beate Wirtz with a fixed limited partner's contribution of	€ 72,000
d)	Ms. Bettina Gottwald, née Wirtz, with a fixed limited partner's contribution of	€225,900
e)	Ms. Gabriele Höfermann-Kiefer, née Wirtz, with a fixed limited partner's contribution of	€ 225,900
f)	Ms. Hanne Sürmann, née Wirtz, with a fixed limited partner's contribution of	€ 108,000
g)	Mr. Michael Wirtz with a fixed limited partner's contribution of	€ 67,500
h)	Mr. Maximilian Wirtz with a fixed limited partner's contribution of	€ 99,000
i)	Ms. Marie Christina Alexandra Wirtz with a fixed limited partner's contribution of	€ 39,750
j)	Mr. Felix Moritz Lukas Wirtz with a fixed limited partner's contribution of	€ 39,750
k)	Ms. Lilli Elisabeth Carolina Wirtz with a fixed limited partner's contribution of	€ 39,750
l)	Franziska Gräfin zu Eulenburg und Hertefeld, née Wirtz, with a fixed limited partner's contribution of	€36,000
m)	Augusta Aurelia Louise Theodora Marie Gräfin zu Eulenburg und Hertefeld with a fixed limited partner's contribution of	€41,625
n)	Botho-Wend Heinrich Rupprecht Franz Graf zu Eulenburg und Hertefeld with a fixed limited partner's contribution of	€ 41,625
o)	Ms. Christina Plath, née Wirtz, with a fixed limited partner's contribution of	€ 108,000
p)	Ms. Marion Hackemann, née Wirtz, with a fixed limited partner's contribution of	€ 169,450
q)	Ms. Andrea Hüllstrunk, née Wirtz, with a fixed limited partner's contribution of	€ 100,300
r)	Mr. Julian Hüllstrunk with a fixed limited partner's contribution of	€ 36,000
s)	Mr. Tobias Hüllstrunk with a fixed limited partner's contribution of	€ 36,000
t)	Ms. Martina Losen, née Wirtz, with a fixed limited partner's contribution of	€169,450
	Total limited liability capital	**1,800,000**

3) The partners Dr. Franz Wirtz, Michael Wirtz, Dr. Andreas Wirtz, and Dr. Hermann Wirtz, their respective legal successors in the Company, and the legal successors in the Company of the deceased partner Richard Wirtz each form one family bloc, meaning the partners form five family blocs in all. If a partner acquires an additional share from a different family bloc, that share thereby becomes part of his bloc; the participating interest of the selling partner's bloc is therefore reduced accordingly.

II. Executive bodies

§5 Executive bodies of the Company

The Company's executive bodies are:

a) General Managers;

b) Supervisory Board;

c) Partners' Meeting

§6 Management and representation

(1) Subject to the provision in §6 (6), the personally liable partner is authorized and required to manage and run the Company. In so doing, it and its General Managers must observe the provisions of the Company's Partnership Agreement and the personally liable partner's Shareholders' Agreement. The Liechtenstein representative who must be appointed at the personally liable partner, according to the regulations of PGR (Liechtenstein Company Law) Art. 180 (a) and/or Art. 239 et seq., is not authorized to run the Company.

(2) The Company pays all expenses incurred by the personally liable partner in the course of running the Company, as well as all expenditures made by the personally liable partner in the Company's interest.

(3) The limited partner's right of objection provided for in HGB (German Commercial Code) Section 164 is precluded hereby.

(4) Subject to the provision in §6 (6), the personally liable partner represents the Company. Subject to the provision in §6 (6), its General Managers are authorized to directly represent the Company in the same scope as they are authorized to represent the personally liable partner.

(5) For legal transactions between the Company and the personally liable partner, the Company and its General Managers are released and exempted from the restrictions of BGB Section 181. The same applies for legal transactions between the Company and a company in which the partners directly or indirectly hold the same proportion of participating interest as they do in the Company.

(6) To the extent the Company owns the business shares of the personally liable partner, in place of the personally liable partner the Supervisory Board is authorized to represent it in performance of the rights conferred by those business shares or the rights to the shares themselves. To the extent the Company is represented by the Supervisory Board in the Shareholders' Meeting of the personally liable partner in performance of its rights as shareholder, the Supervisory Board must pass a resolution in accordance with the rules governing its passage of resolutions (§7) prior to exercising the rights. In exercising the aforementioned rights, resolutions by the Supervisory Board for appointing and dismissing the General Managers of the personally liable partner require a three-fourths majority; items (7) to (10) must be observed. By the same majority the Supervisory Board may adopt resolutions whose purpose is to grant authority to individual General Managers to represent the personally liable partner alone at the Shareholders' Meeting of the personally liable partner.

(7) If multiple applicants are available for a position as Managing Director at the personally liable partner and if they include descendents or spouses of descendents of Dr. Franz Wirtz, Richard Wirtz, Dr. Andreas Wirtz, Michael Wirtz, or Dr. Hermann Wirtz, they must be given preference over other applicants with equal qualifications. Descendents are given preference over spouses of descendents with equal qualifications.

(8) As long as they are partners, but not later than the end of the business year in which they turn 65 years of age, Dr. Franz Wirtz and Michael Wirtz each have the irrevocable special right to insist that they be appointed Managing Director of the personally liable partner in a full-time position, i.e., for the clear majority of their time and energy. If Michael Wirtz is no longer Managing Director, the above special right to be a full-time Managing Director belongs to Dr. Hermann Wirtz.

(9) The special right belonging to Dr. Franz Wirtz, Michael Wirtz, and Dr. Hermann Wirtz in accordance with item (8), ceases to apply if their respective family bloc's participating interest in Grünenthal Pharma GmbH & Co. KG falls below 10 percent of the limited liability capital.

(10) Dr. Franz Wirtz and Michael Wirtz, and Dr. Hermann Wirtz if applicable, must resign their position as Managing Director of the personally liable partner when their special right expires. Even after they turn 65, they may be elected by the Partners' Meeting as General Managers of the personally liable partner.

(11) The special rights for filling the Managing Board of the personally liable partner pursuant to items (7) to (10) also apply if the appointments must be made by the Company's Partners' Meeting due to the Supervisory Board's inability to act.

(12) For the following actions or statements with respect to exercising shareholder rights in the personally liable partner, the Supervisory Board must obtain a resolution of approval from the Company's Partners' Meeting with the majority indicated in each case:

a) Changing the Shareholders' Agreement of the personally liable partner (three-fourths majority); a unanimous vote is required to change the object and purpose of the personally liable partner's enterprise;

b) Approving persons who are not shareholders of the personally liable partner to provide initial contributions for a capital increase at the personally liable partner (90 percent); a unanimous resolution is required if the capital providers do not simultaneously acquire a corresponding share of the limited liability capital;

c) Transformation actions at the personally liable partner (three-fourths majority);

d) Disposition of business shares of the personally liable partner (assignment, encumbrance, and division into participating sub-interests) (90-percent majority); a unanimous resolution is required for disposition of more than 90 percent of the business shares of the personally liable partner and for assignments where the acquiring party does not acquire a corresponding share of the limited liability capital;

e) Liquidation of the personally liable partner (three-fourths majority) and appointment of liquidators (two-thirds majority);

f) Involvement by the personally liable partner in changing the Company's Partnership Agreement (three-fourths majority);

g) Termination of the Company by the personally liable partner (90-percent majority);

h) Approval of the annual financial statements, resolutions on the use of profits, approval of the Managing Board's actions, and selection of the auditor (Board of Auditors) of the personally liable partner's financial statements (simple majority).

If the Partners' Meeting passes any of the above resolutions, the Supervisory Board must perform the corresponding actions or deliver the corresponding statements to the personally liable partner by casting votes in its Shareholders' Meeting or by other means.

Partners whose shares together represent 10 percent of the limited liability capital may demand that the Managing Board convene a Partners' Meeting or announce resolutions concerning the affairs of the personally liable partner, including its management activities at Grünenthal Pharma GmbH & Co. KG, stating the purpose and the reasons; other aspects are governed by §8 (2) accordingly.

If the Managing Board of the personally liable partner presents a recommendation for the annual financial statements of the personally liable partner which the Supervisory Board approves, the annual financial statements and, if a management report must be prepared according to the statutory provisions, that report and the recommendation, or otherwise the report by the financial auditor along with the annual financial statements and the management report if required, as well as the statements by the Managing Board and Supervisory Board, must be sent to the partners at least eight days prior to the Partners' Meeting.

If the annual financial statements of the personally liable partner submitted for approval in accordance with (h) are not based on a joint recommendation by the Managing Board of the personally liable partner and the Supervisory Board, then the annual financial statements prepared by the Managing Board must be submitted to the Company's Partners' Meeting for approval in accordance with (h), along with the opinion statements from the Managing Board and the Supervisory Board.

(13) The limited partners of Grünenthal Pharma GmbH & Co. KG are entitled to receive the same information from Grünenthal Verwaltungs GmbH as they would if they held a direct participating interest in a general partner having the form of a limited-liability company under German law.

§7 Supervisory Board

(1) The Company has an Supervisory Board. The Supervisory Board generally consists of five members. Starting with the term of office beginning at the conclusion of the Company's Partners' Meeting that decides regarding approving the General Managers' actions for the 2004 business year, the majority of Supervisory Board members may not be part of the family; during this term of office, any family member proposed by partners Bettina Gottwald and Gabriele Höfermann-Kiefer for election to the Supervisory Board is considered not to be part of the family. The members of the Supervisory Board are elected by the Partners' Meeting with a simple majority. A two-thirds majority is required to elect individuals who are part of the family. Four members of the Supervisory Board are elected on the basis of the proposal by limited partners of the Company who individually or collectively control at least 20.5 percent of the limited liability capital. The proposals should be received by all the other partners no later than two weeks prior to the Partners' Meeting at which the election is to be held, stating the name of the proposed candidate. If the proposal is not presented in a timely manner, the election does not have to be held at that Partners' Meeting. If the proposed candidate is not part of the family, the Partners' Meeting cannot reject his election unless he lacks personal or technical qualifications. The proposed candidate has technical qualifications if he possesses special expertise or experience of especial significance for the Company. If Dr. Franz Wirtz, Dr. Andreas Wirtz, Michael Wirtz, or Dr. Hermann Wirtz is put forward, he is considered elected unless he is a Managing Director of the personally liable partner. The fifth Supervisory Board member, who cannot be part of the family, is elected by the Partners' Meeting without the right of proposal. The Partners' Meeting may at any time elect additional Supervisory Board members, for whom item (2) below does not apply, for the election period in question with 90 percent of the votes of all partners; a new election does not have to be held on the departure of any such Supervisory Board member.

(2) If not all Supervisory Board members are elected at the Partners' Meeting in which the election is to be held, another Partners' Meeting must be convened within two months, for which new candidate proposals and replacement candidate proposals may be made, to elect the Supervisory Board members. If again no candidate is elected at the second Partners' Meeting, the missing Supervisory Board members will be appointed by the President of the Aachen Chamber of Commerce or its successor organization unless the partners agree on the Supervisory Board members with 90 percent of the vote before the appointments are made. If a partner is a member of the executive committee of the Aachen Chamber of Commerce, the latter shall be replaced by the Cologne Chamber of Commerce.

(3) Persons are not considered part of the family who do not have a direct or indirect participating interest in the Company and are not married to such individuals nor related to them to the fourth degree by blood or marriage.

(4) Members of the Supervisory Board are elected for one term of office at a time. The first term ends at the conclusion of the Partners' Meeting that decides regarding official approval of the General Managers' actions for the third business year after all seats on the Supervisory Board are filled. The business year in which the Supervisory Board is filled does not count. The subsequent term of office always runs until the conclusion of the fourth Regular Partners' Meeting thereafter. However, if not all seats on the Supervisory Board are filled at that Regular Partners' Meeting, then the term of the current Supervisory Board is extended until it is completely filled, but not longer than eight months; at that time the term of the new Supervisory Board begins even if it is not yet completely filled.

(5) Any member of the Supervisory Board may resign his office by sending a written statement to the Company, even without good cause. Three months' advance notice must be given. Supervisory Board members automatically leave office as of the end of the business year in which they turn seventy years of age, unless a majority of the other members of the Supervisory Board decide otherwise. If an Advisory Board member resigns his office or leaves for other reasons, a new election must be held without delay for the departing Advisory Board member. The new election follows the procedure set forth in item (1) and item (2). If the departing Advisory Board member was recommended, the partner(s) who made the recommendation is/are again entitled to recommend a candidate for the new election. The term of office of the new Supervisory Board member runs until the end of the term of the other Supervisory Board members.

(6) The Chairman of the Supervisory Board is the member outside the family elected by the Partners' Meeting without the right of recommendation, unless the Partners' Meeting chooses a different Chairman with 90 percent of the votes of all partners. The Vice-Chairman of the Supervisory Board is elected by the Supervisory Board from among its members. If possible, he should not (also) be recommended by a partner who is a Managing Director of the personally liable partner.

(7) Statements of intent by the Supervisory Board, especially those that concern the performance of the Company's rights conferred by the business shares of the personally liable partner or the rights to the shares themselves, and which are made by the Supervisory Board in the name of the Company, are made by the Chairman in the Supervisory Board's name, or by the Vice-Chairman if the Chairman is unable. If it is the Vice-Chairman, it is not necessary to prove to third parties that the Chairman was unable to do so.

(8) Supervisory Board meetings are called and conducted by the Chairman or, if he is unable, the Vice-Chairman.

(9) The Supervisory Board has a quorum if it consists of at least three members and at least three members are present at the meeting. Resolutions of the Supervisory Board are adopted by simple majority, unless the Partnership Agreement specifies otherwise. In all cases, the majority is figured according to the number of voting members on the Supervisory Board, not the number of votes cast (in person or by proxy). Members of the Supervisory Board may appoint other Supervisory Board members to be their proxy in a written authorization, which must be presented at the Supervisory Board meeting. Supervisory Board members who are represented by proxy are considered to be present.

(10) Supervisory Board resolutions may also be adopted without calling a meeting, by voting in writing, by telegram, or telephone, if no member objects to this procedure.

(11) The Supervisory Board forms a Personnel Committee which—unless the Supervisory Board decides otherwise by a three-fourths majority in a specific case—is responsible for preparing the Supervisory Board resolutions to appoint and dismiss the General Managers of the personally liable partner at its Shareholders' Meeting and for passing resolutions on the conclusion, modification, and termination of the employment agreements with the General Managers of the personally liable partner at its Shareholders' Meeting. The Personnel Committee consists of no more than three members, none of whom may be related Supervisory Board members. Moreover, the Supervisory Board adopts its own internal rules of procedure.

(12) Each Supervisory Board member is entitled to receive all special audit reports and access to the tax audit reports at the Company and the personally liable partner.

(13) The Managing Board must report to the Supervisory Board on a quarterly basis. It must make available to the Supervisory Board as a whole the investigations and documents required to fulfill its responsibilities and decisions. Furthermore, the Chairman of the Supervisory Board must receive reports on other important occasions; important occasions are also taken to mean any business event at an affiliated enterprise which the Managing Board learns of that can have a significant influence on the Company's position.

(14) The Supervisory Board performs its responsibilities in lieu of the partners primarily for the Company, but also with due consideration for the partners' interests; neither it nor its members are obligated to follow instructions from the partners. In addition to the other responsibilities assigned to the Supervisory Board in this Partnership Agreement, it also has the following functions:

a) It advises and monitors the Managing Board. The Supervisory Board or at least two of its members may require that a special audit be performed by the Company's and the personally liable partner's accountant, after the usefulness of such an audit was previously discussed at the Supervisory Board. The Supervisory Board may also decide that the special audit will be performed by a different accountant (accounting firm), which it appoints.

b) It decides in case of differences of opinion between the General Managers of the personally liable partner in affairs of the Managing Board of the Company and of the personally liable partner, in performance of the Company's rights as shareholder of the personally liable partner. Each Managing Director of the personally liable partner has the right to present the contentious management issue to the Supervisory Board. Furthermore, the Supervisory Board may issue instructions to the General Managers concerning management issues.

(15) The following actions by the Managing Board always require the consent of the Supervisory Board:

a) Appointment of members of Management Board, members of Executive Boards, and members of supervisory bodies (in particular advisory and supervisory boards (Aufsichtsräte und Beiräte) of:

- Affiliated domestic companies, and
- Affiliated foreign companies achieving a turnover of more than €50 million in the previous business year or those of strategic significance for the Grünenthal Group; the Supervisory Board may define strategic significance criteria more closely;

b) Interest in other companies in any form and their revocation, amendment, sale or encumbrance

Acquisition or sale of businesses or business parts;

Formation, amendment or termination of consortiums of considerable significance;

c) Fundamental questions of company policy;

d) Not applicable

e) Significant changes in business activities within the business objective and significant changes in company organization;

f) Investments not included in the budget for the current business year already approved by the Supervisory Board and exceeding €1 million individually (single project); for leasing agreements, the value of the leased property is the rele-vant figure;

g) Establishment and closure of branch offices;

h) Granting full power of commercial representation (Prokura):

i) Purchase, sale, and encumbrance of land and equivalent rights not included in the budget for the current business year already approved by the Supervisory Board, insofar as this exceeds €1 million individually (single project);

j) Assumption of obligations exceeding €1 million in each case, unless:

- They are obligations that are included in the budget for the current business year already approved by the Supervisory Board, or
- It is for raising operating merchandise and bank loans for working capital;

k) Providing of suretyships and guarantees or granting of other security not included as security in the budget for the current business year already approved by the Supervisory Board. This duty to obtain approval does not include suretyships, guarantees and other securities for affiliated companies if the value in each case does not exceed 5.0 Mio € and the total value for an individual affiliated company does not exceed 10.0 Mio € and the total value of all assumed suretyships, guarantees and securities for affiliated companies does not exceed 10% of the balance sheet total of the Grünenthal Group.;

l) Leases and rental agreements longer than three years with (estimated) annual compensation exceeding €1 million, unless they are already included in the budget for the current business year approved by the Supervisory Board;

License agreements longer than three years with (estimated) annual compensation exceeding €5 million, unless they are already included in the budget for the current business year approved by the Supervisory Board;

m) Sale of trademarks and other industrial property rights if they are of considerable significance for the Company;

n) Initiating of litigations whose value exceeds €1 million or that are of considerable significance for the Company for other reasons; the Supervisory Board must be informed of legal disputes of the aforementioned type in which the Company is the defendant;

o) Significant changes in pay and social arrangements including changes in the basic principles of the remuneration structure for staff of the second management level of the Grünenthal Group as far as they have considerable effects on the profitability of the Grünenthal Group;

p) Budget of the next financial year. This covers the planning of revenue, costs, earnings, financing, investments, personnel and organization of the whole Grünenthal Group and Grünenthal Group Divisions defined in consultation with the Supervisory Board (Beirat) and shall be passed at the last meeting of the Supervisory Board (Beirat) in a financial year.

Medium and long-term company plannings serving the company's strategy which is to be submitted for approval at intervals specified by the Supervisory Board (Beirat);

q) Loans to:

- Partners of Grünenthal Pharma GmbH & Co. KG,

- Members of the Supervisory Board, Statutory Supervisory Board, and General Managars of Grünenthal GmbH and Grünenthal Pharma GmbH & Co. KG,

- As well as relatives and close associates of the above,

and other legal transactions between the Company and the persons named above;

r) Any other transactions going beyond the ordinary business of the enterprise;

s) Consent for management actions at dependent companies (excepting the personally liable partner and Grünenthal GmbH) that would require consent from the Supervisory Board according to (b) to (r) above if they occurred at the Company;

The Managing Board must ensure that such actions are submitted to the Supervisory Board for its consent.

The Supervisory Board may give its consent for certain types of transactions in general or on a case-by-case basis. It may resolve by a three-fourths majority to expand the list of transactions requiring consent; however, any such resolution expires three months after the end of the term of office of the Supervisory Board unless it is confirmed before that time by the newly elected Supervisory Board.

(16) After discussion with the Managing Board, the Supervisory Board may adopt internal rules of procedure for the Managing Board of the Company and of the personally liable partner (performing the Company's rights as shareholder of the personally liable partner), and may also modify them.

(17) All partners must promptly be notified in writing of any resolutions by the Supervisory Board relating to items (14) (b), (15), or (16) that are adopted without the votes of all members of the Supervisory Board, unless the Supervisory Board members who vote "no" expressly waive this notification requirement. Partners holding 50 percent of the limited liability capital may promptly lodge a written objection (no later than 14 days after receiving written notification of the Supervisory Board's resolution) with the Chairman of the Supervisory Board against the resolutions subject to notification under sentence 1. The reasons for the objection must be stated. The Supervisory Board may sustain the objection or overrule it. This may also occur in writing, by telegram, or telephone. The objecting party and the Managing Board must be notified of the result. If the Supervisory Board stands by its resolution, the Partners' Meeting—which must be called promptly and with one week's notice in this case—will have the final decision. If the resolution relates to an action by the Managing Board, such action must be suspended pending the resolution by the Partners' Meeting. Resolutions within the meaning of the above rules are also taken to be those by which a motion by the Managing Board or a member of the Supervisory Board for a resolution was rejected; if such resolution motions are deferred, precluded by the internal rules of procedure, or otherwise not decided, this is equivalent to a negative vote on the resolution if the postponement of the vote essentially results in its rejection or if there are insufficient objective reasons.

(18) Members of the Supervisory Board receive reimbursement for their expenses, as well as compensation determined by the Partners' Meeting.

(19) Members of the Supervisory Board must maintain absolute confidentiality toward third parties regarding everything they learn based on their activity. They are authorized to notify partners regarding business incidents and decisions of the Supervisory Board. Where this occurs, the involved partners have the obligation to maintain absolute confidentiality toward third parties.

(20) If the Supervisory Board is temporarily incapable of acting because it has fewer than three members, its rights and responsibilities are performed by the Partners' Meeting, which decides by the same majority as is provided for the Supervisory Board.

(21) The liability of members of the Supervisory Board for their activity on the Supervisory Board is limited to intentional misconduct and gross negligence.

(22) Bearing in mind that the majority of the members of the Supervisory Board may not be part of the family, yet a reasonable exchange of information and opinion between the partners and the Supervisory Board should be possible, the following rule applies starting with the term of office beginning at the conclusion of the Partners' Meeting that decides regarding official approval of the actions of the General Managers for business year 2004:

Partner family blocs controlling at least 20.5 percent of the limited liability capital, either alone or together with other family blocs, but from which no family member is a member of the Supervisory Board, have the right to appoint a family member who is authorized to attend Supervisory Board meetings in a consultative and nonvoting capacity. The appointment right and the duration of the appointment are governed accordingly by items (4) and (5); §7 (1), second half of second sentence, does not apply in this regard. Information and documents provided to all Supervisory Board members will also go to any authorized attending family member. He is invited to attend all meetings of the Supervisory Board. He is notified of the start of written procedures to pass resolutions. Authorized attending family members receive reimbursement for their expenses. They are obligated to maintain confidentiality in the same way as the other members of the Supervisory Board (item [19]).

(23) With respect to the activities of the Supervisory Board, the limited partners' right of monitoring and supervision under HGB Section 166 (1) is precluded if there is an Supervisory Board that is capable of acting.

§8 Partners' Meeting

(1) The Partners' Meeting may be called by the personally liable partner with management authority or by the Chairman or Vice-Chairman of the Supervisory Board by mailing the registered letter containing the meeting announcement and agenda with 21 days' notice. The day of mailing and the day of the meeting do not count when figuring the notice period. The Partners' Meeting must be held in Stolberg or Aachen unless all partners state their agreement with a different location or there is good cause for the other location.

(2) Partners whose shares together represent 24 percent of the limited liability capital may demand that the Managing Board convene a Partners' Meeting, providing the desired agenda. If this demand is not met within 14 days, the partners making the demand are themselves authorized to convene the meeting. The partners' statutory rights to convene a Partners' Meeting shall remain unaffected thereby.

(3) The Regular Partners' Meeting shall be held annually, within the first eight months of the business year if possible, to pass resolutions on approving the annual financial statements for the past business year, appropriation of profits, approval of the governing bodies' actions, and selection of the accountant for the current business year. Another Partners' Meeting should also be held each year to inform the partners about the course of business and the anticipated results.

(4) Each €50 of the fixed limited partner's contributions confers one vote. The personally liable partner is precluded from voting.

(5) The Partners' Meeting is conducted by the Chairman of the Supervisory Board or, if he is unable, by the Vice-Chairman, if they are partners or if they represent a partner in the Partners' Meeting. Otherwise the Meeting elects the Chairman.

(6) Unless otherwise provided for in this Partnership Agreement, no partner is precluded from voting because the vote concerns performing a legal transaction with him or because his personal interests are otherwise affected. However, he cannot vote on a resolution concerning official approval of his actions, his release from an obligation, or commencement of a legal dispute against him.

(7) Unless otherwise provided for in this Partnership Agreement or by law, the Partners' Meeting decides by simple majority.

(8) In all places, the majority is figured according to the total number of votes belonging to voting partners, not the number of votes cast in person or by proxy.

(9) Unless a special rule is provided in this agreement, changes to the Partnership Agreement require a three-fourths majority. All provisions of the agreement, including essential ones, may be changed by this majority, and transformations within the meaning of the Law on Company Transformations can also be decided; it is thus the desire of all partners that a majority decision should suffice for all changes to the Partnership Agreement, in the same way as for corporations.

This also applies for increasing the capital, which shall be permissible up to three times the current capital by this majority. This does not include capital increases from reserves. But if a provision is to be changed for which a resolution is required with a larger majority than three-fourths, then the larger majority is also required in order to change it.

(10) If the Partners' Meeting votes to increase the capital, all partners have the right to participate in the increase in the proportion of their current participating interest in the Company. If any partner does not exercise this right, it passes to the other partners in the order set forth in §12 (2). If the right passes to partners in other family blocs, the participating interest belongs to the other bloc.

(11) Any disposition of business shares in Grünenthal GmbH requires a vote of approval by a three-fourths majority of partners.

(12) Any partner may be represented in the Partners' Meeting by his spouse, father, mother, an adult descendent, another partner, or a member of the Supervisory Board. Furthermore, representation by the executor of his will is permitted. Any other representative is permitted only by a two-thirds-majority vote of the Partners' Meeting. The votes of the partner desiring to be represented are counted as votes of approval when voting to permit the representative.

(13) The persons authorized to convene the Partners' Meeting can also initiate a written voting procedure. The written voting procedure is invalid if partners holding a total of 24 percent of the limited liability capital object within the indicated voting period, which must be at least 14 days after the time of mailing the registered letters with the voting request. The day of mailing is not counted.

(14) A record of the Partners' Meeting must be prepared and must include the resolutions adopted. This record must be signed by the Chairman of the meeting and a copy sent to all partners. Resolutions adopted through a written procedure must be sent to all partners in writing by the Managing Board. Partner resolutions may be challenged by the partners only within two months after receipt of the record or written notification by filing suit against the Company; the deadline may be extended by the Supervisory Board up to one year for an individual case.

III. Annual financial statements, distribution of profits, accounts

§9 Annual financial statements

(1) Within three months after the end of each business year, the General Managers must prepare the annual financial statements and the consolidated annual financial statements, as well as the management reports, in accordance with commercial legal principles. Revenues and expenditures that are earnings or costs for business purposes should be treated as such in the annual financial statements even if they are treated as profit or contributions from the partners for tax purposes, e.g., compensation for services, pensions, interest payments to and from the partners. Following examination by the financial auditor, the annual financial statements and consolidated annual financial statements and the management reports must be sent to the Supervisory Board with the financial auditor's report. The annual financial statements are then approved, and the consolidated annual financial statements are endorsed, by the Partners' Meeting on the joint recommendation of the Managing Board and Supervisory Board. If the Managing Board and Supervisory Board do not reach a joint recommendation, the annual financial statements and consolidated annual financial statements prepared by the Managing Board must be submitted to the Partners' Meeting for approval and endorsement, respectively, together with the statements by the Managing Board and the Supervisory Board.

(2) The annual financial statements and consolidated annual financial statements must be sent to the partners at least eight days before the Partners' Meeting, together with the management report, the recommendation and audit reports by the financial auditor, and if applicable the opinion statements from the Managing Board and Supervisory Board.

§10 Profit and loss distribution

(1) The personally liable partner first of all receives 2.5 percent of the profit, but not more than 10 percent of its paid-in capital stock. It does not participate internally in the loss, if any; however, if the Company's creditors make claims on it, it can demand indemnification or reimbursement of its expenses only from the Company, not from the limited partners; internally, therefore, they are not obligated to make direct or indirect payments to the personally liable partner on account of claims made against it.

(2) The partners share the remaining profit and any loss in the proportion of their fixed limited partner's contributions. HGB Section 167 (3) shall remain unaffected thereby.

(3) Any loss must be entered in the loss carryover account to be kept for each partner. Any profit must first be used to compensate for any loss carryover. Profit shares from corporations may be used to compensate for a loss carryover only to the extent the other profit is insufficient for that purpose.

(4) Of the portion of profit that is not needed to cover any loss carryover and is not assigned to profit shares from corporations, particularly from Grünenthal GmbH, 20 percent is transferred to the limited partners' reserve accounts. By a three-fourths majority the partners can vote to transfer a higher or lower percentage to the reserves. However, the profit may be assigned to the reserves only in such a percentage that the funds needed to pay the taxes on the income from the Company remain for the partners; if this is not the case, each limited partner may also demand a reduction in the percentage provided for in sentence 1 for the year in question.

(5) The Partners' Meeting decides regarding use of the remaining profit. The profit must be distributed and credited to the partners' personal accounts unless the partners' meeting votes for a different use by a three-fourths majority.

§11 Partner accounts and withdrawals

(1) A personal account is kept for each partner in addition to the capital account in which the payments toward the fixed limited partner's contributions are entered, the reserve account and the special reserve account in which the face value of the partnership shares of the personally liable partner held by the Company is credited, and the balancing entry that must be created on the Company's balance sheet in accordance with HGB Section 264 (c) (4) for own partnership shares carried as assets. The profits not assigned to reserves and the interest charges are credited to and deducted from this personal account, respectively. In addition, the profit disbursements received by the Company during the course of a year based on the profit distribution resolutions adopted at Grünenthal GmbH are immediately credited to the personal account and may be withdrawn by the partners in accordance with the following rules; in this regard the partners are entitled to advance payment towards the annual profit. General Managers' salaries, compensation for services, Supervisory Board compensation, pensions, and interest earned on the personal account are not credited to the personal account but are disbursed directly to the partner; the partner himself must provide the funds needed for the tax on these types of income, which do not count as income from the Company within the

meaning of §10 (4) and §11 (2). The face value of the partnership shares of the personally liable partner held by the Company is initially transferred from each partner's reserve account to his special reserve account according to his share of the limited liability capital.

(2) Withdrawals from the personal accounts are permitted to the extent the corresponding funds are needed for payment of taxes on the profits from the Company. Whenever possible, to prevent the partners' personal accounts from falling into a negative balance through such withdrawals, the estimated funds still required for taxes for the current year and for back taxes may not be withdrawn for other purposes. The estimated funds required are calculated by the personally liable partner. Regardless of the amount of tax actually payable by the individual partners, the calculation should be based on the maximum rates for income tax (including any surcharges such as special levies and church tax). The Supervisory Board may set a fixed percentage as a standard rate for the income tax; according to current tax charges, the standard rate for profit shares from corporations (particularly Grünenthal GmbH) is 27.5 percent, and for other profits 55 percent. Therefore 27.5 percent of the profit shares assigned to the partner from corporations and 55 percent of the other (estimated) income assigned to the partner from the Company must currently be earmarked as estimated income tax. When calculating the estimated required tax amounts, allowance is made in the partners' favor for the fact that the capital gains tax and solidarity tax on profit shares from corporations was withheld and paid by the respective corporation. In case of differences of opinion between the Managing Board and one or more partners, particularly regarding the estimated income from the Company, the Supervisory Board decides as arbitrator.

(3) If partners receive tax refunds, they must deposit them with the Company for credit to their personal accounts if these have a negative balance or if the funds will likely be needed for current tax payments. If the partners are able to compensate for losses at the Company with other income when figuring their income tax, they are not authorized to again withdraw income taxes unless and until these would also be incurred if the losses were carried forward. At the Company's suggestion the partners are required to request a reduction in their estimated income tax payments if the Company provides the partners with a reason for such a request.

(4) The funds remaining after setting aside provisions for taxes in accordance with item (2) may be withdrawn from the personal account. To the extent they consist of profit shares from corporations (particularly Grünenthal GmbH), the remaining funds may be withdrawn in full at any time. This also applies where profit shares from the company are credited to the partners' personal accounts in the course of a year based on the rule in item (1) sentence 3. Otherwise, withdrawals are limited to 2 percent of each partner's fixed capital contribution per month. Additional withdrawals are permitted only if announced to the Managing Board in writing 12 months in advance. In all cases, a condition for the withdrawal is that the amount remaining after setting aside provisions for the taxes in accordance with item (2) is not exceeded.

(5) Withdrawals from the capital accounts, reserve accounts, and special reserve accounts are precluded hereby. The partners may, however, vote by a three-fourths majority to pay distributions from the reserve accounts, specifying that the distributed funds are to be credited to the personal accounts.

(6) Credit balances or debts in the personal account accrue interest at a rate of 2.5 percent above the current base interest rate. Interest is treated as expenses or earnings for the Company. The interest rate may be changed by resolution of the partners for a certain period or for an indefinite time until a new resolution is adopted.

(7) The capital accounts, reserve accounts, and special reserve accounts do not accrue interest.

(8) In the event a wealth tax or similar charge is assessed on assets in the Company, the preceding rules regarding the maximum permissible transfer to reserves and the partners' right of withdrawal shall be applied in such a way that, after the transfer to reserves, adequate profits remain and withdrawals are permitted such that the partners are able to pay the wealth tax or other charges on the assets in the Company from those funds. Credit balances in the partners' personal accounts do not count as Company assets.

IV. Changes in the partners' participating interests

§12 Disposition of shares and resulting amounts owed

(1) Subject to the provision in item (7), whole or fractional shares may be transferred to the current partners and their descendents without the consent of the other partners.

(2) If a partner sells or trades his share or a portion thereof to a third party who is not among the persons named in item (1), the other partners have a right of first refusal in the following order:

a) The partners in his family bloc;

b) The partners in the family bloc of Dr. Franz Wirtz in the event of a sale from the family bloc of Dr. Andreas Wirtz and vice versa, and the partners in the family bloc of Michael Wirtz in the event of a sale from the family bloc of Dr. Hermann Wirtz and vice versa;

c) All other partners.

The seller must deliver copies of the purchase or exchange agreement (sales agreement), concluded in the proper form to the other partners by registered mail. The persons with the right of first refusal can exercise the right of first refusal within three months after receiving the sales agreement. If multiple people with a right of first refusal of the same rank exercise their right of first refusal, they divide the share being sold in the proportion of their current participating interest, unless they come to a different agreement.

(3) When exercising the right of first refusal, the people with the right of first refusal are not required to pay the full purchase price or the full exchange value agreed with the third party but only 70 percent of that amount. They thus acquire the shares at a 30-percent reduced price, contrary to the provisions that otherwise apply to the right of first refusal.

If the consideration under the sales agreement is not in cash, nor in the form of a pension, the value of the consideration takes its place.

(4) If the right of first refusal is not exercised in a timely manner, the selling partner may transfer the share to the third party on the terms of the sales agreement. If the sales agreement made with the third party is not implemented, or not in the agreed manner, within six months after expiration of the right of first refusal, the other partners may vote by a simple majority to exclude the partner with the sold or exchanged share in accordance with §16 (1) (b). This does not apply if the sales agreement is not implemented in the agreed manner due to an order or restriction by public authorities, or if there are other reasons unknown at the time the sales agreement was made that make it impossible or unreasonable for the seller to enforce implementation of the sales agreement; in case of differences of opinion on this matter, the Supervisory Board decides as arbitrator.

(5) If a transfer of shares is not permitted according to the above provisions, it is permissible only with the consent of 90 percent of the votes of all partners. The creation of a usufruct or any other encumbrance of a share, or the assignment, bailment, or other encumbrance of the rights to the profit and settlement amount are likewise permissible and valid only with the consent of 90 percent of the votes of all partners; this does not apply for the creation of a usufruct for the benefit of spouses, parents, or descendents of a partner, which is permitted even without the consent of the other partners. Assignment or bailment of the rights to the profit and the settlement amount is permitted without the consent of 90 percent of the votes of all partners if the Supervisory Board has approved it; the Supervisory Board should give this approval only if the assignment or bailment is made to a financial institution to secure a loan intended exclusively for the purchase of shares in the Company or to pay inheritance tax for inherited shares in the Company. In all cases of encumbering a share, it must be provided that voting rights and other shared management rights remain with the owner; the usufructuary or bailee thus do not enjoy such rights.

(6) The reserve account, loss carryover account, and special reserve account, or the corresponding portion of such accounts in case of a partial transfer, also pass to the new owner along with the transferred share. The new owner is liable for any debts of his predecessor in his personal account, or for a portion thereof corresponding to the transferred portion of the share.

(7) Furthermore, any transfer of portions of the share is in all cases permissible only if the fixed limited partner's contributions of both the seller (if he is not leaving the Company entirely) and of the new owner constitute at least 2 percent of the Company's total limited liability capital. Exceptions require a resolution passed by a three-fourths majority of partners.

(8) It is permissible to create participating sub-interests in shares, including nontypical participating sub-interests within the meaning of tax laws, without the consent of the other partners, provided the persons holding the participating sub-interests are partners or descendents of a partner. It is also possible to create such a participating sub-interest by a testamentary disposition. The existence and termination of any participating sub-interest must promptly be reported to the Company. Participating sub-interests for the benefit of other persons is permitted only with the consent of 90 percent of the votes of all partners.

§13 Death of a partner

(1) If a partner dies, the Company continues with his heirs or those to whom he left his participating interest as a legacy, provided these are persons to whom the testator could have transferred his participating interest pursuant to §12 (1) in conjunction with §12 (7). If other heirs do not transfer their participating interests within one year after the inheritance (with effect as of that time, internally) to persons to whom the testator could have transferred his participating interest pursuant to §12 (1) in conjunction with §12 (7), they exit from the Company at the end of that period unless the partners consent to continue with them pursuant to §12 (5). It is a requirement at all times, however, that the heir or legatee holds a participating interest of no less than 2 percent of the total limited liability capital.

(2) Section 12 (6) applies here as well.

(3) If a partner's testamentary disposition provides that the share is to be transferred to the executor(s) of his will, the transfer to him is permitted without the consent of the other partners if the Company continues with the heir or legatee in accordance with item (1) and it is agreed upon the transfer to the executor that the share and associated rights should revert to the heir or legatee as soon as the executorship is concluded. If there are multiple executors, the transfer is only possible to one of them.

§14 Bankruptcy proceedings upon the assets of a partner

Any partner whose assets come under bankruptcy proceedings exits from the Company upon the occurrence of this event.

§15 Termination of partnership status

(1) The partnership is created and agreed for a fixed term until 31 December 2022. It shall renew for 10 years at a time unless notice of termination is given by registered letter sent to the Company before 31 December 2022, or thereafter, to become effective at the end of a calendar year ending in the number 2, with 24 months' advance notice. The partner giving notice is entitled to withdraw the termination by registered letter to the Company up to 12 months before the effective date. In this case the termination notice is considered not to have occurred. Subsequent notices joining the termination become void.

(2) Each of the other partners may attach himself to the termination by registered letter to the Company up until three months before the effective date.

(3) Termination by Grünenthal Verwaltungs GmbH is valid only if the consent of its Shareholders' Meeting is given as required by its Articles of Incorporation.

(4) The Company is required to promptly inform all other partners of the termination and the attachment termination by registered letter.

(5) The partner giving notice of termination and the partner attaching himself to the termination leave the Company as of the effective date of the termination. This does not apply in the following cases:

a) If no personally liable partner remains after the termination and the other partners do not appoint a new personally liable partner with representation authority by a three-fourths majority no later than two months before the effective date of the termination, effective as of that time;

b) If the other partners vote to liquidate the Company before the effective date of the termination.

In cases (a) and (b) the Company enters liquidation as of the effective date of the termination.

(6) Items (2), (4), and (5) also apply in the event the personal creditor of a partner gives notice to terminate the Company pursuant to HGB Section 135.

§16 Exclusion of a partner

A partner may be excluded by resolution of the other partners adopted by a simple majority in cases (a) and (b), or by a three-fourths majority in case (c):

a) If the petition for bankruptcy proceedings upon his assets is denied due to lack of assets;

b) If the exclusion is permitted on the basis of §12 (4);

c) If another circumstance arises in his person that would establish the right for the other partners to demand the dissolution of the Company pursuant to HGB Section 133.

§17 Continuation of the Company

In all cases of a partner's exit, the Company is continued by the other partners under the current name. If only one partner is left, he is authorized but not required to continue the enterprise with assets and liabilities under the current name.

§18 Settlement payment for an exiting partner

(1) The exiting partner receives a settlement balance calculated as follows.

a) A settlement balance sheet must be prepared for the date of departure, or in case of (b) the applicable balance sheet date. Subject to the rules below, the settlement balance sheet should include the assets and liabilities at their book value resulting from continuous extrapolation from previous balance sheets. Reserves for pension obligations (including pension obligations for partners and their family members) must be created and stated according to actuarial principles (currently using an interest rate of 6 percent), even if they were not included (or not included to their full extent) in previous annual balance sheets. For special entries with a reserve component (currently, for instance, EStG [Income Tax Law] Section 6 [b]), state the amount that would remain after paying the applicable profit-based taxes (particularly business, income, and church tax), figured using the maximum progression rates, if that entry had been liquidated as of the balance sheet date, increasing profit. Goodwill and other currently non-capitalized tangible and intangible assets for which capitalization is not mandatory are not included. If and insofar as participating interests in companies directly or indirectly constitute 10 percent or more of the capital of the company in which the participating interest is held, they should be valued according to the above rules and stated on the settlement balance sheet at that value. The profit for the previous business year should be entered as distributed according to §10, i.e., it should be credited to the reserves and the personal accounts according to the rules in §10 after any loss compensation.

b) If a partner exits in the course of a business year, the settlement balance sheet should be prepared as of the end of the previous business year if the exit occurs in the first 11 months of the business year, or otherwise as of the end of the current business year.

c) Five times the Company's annual result (annual surplus or annual deficit before transfer to or withdrawal from reserves) is calculated using the average of the last three full business years prior to the date of the settlement balance sheet; the business year whose end is the reporting date for the settlement balance sheet is included. The approved annual financial statements are the basis for the annual results, but the following changes must be made:

- Earnings not made in normal business operations must be fully depreciated if they exceed 1 percent of the Company's equity (limited partners' contributions, reserves and special reserves, not profit carryovers, but subtracting any loss carryovers).

- If and insofar as participating interests in companies directly or indirectly constitute 10 percent or more of the capital of the company in which the participating interest is held, the results of those participating interests should be (proportionally) stated as if they were made directly by the Company; for participating interests of 50 percent or less, however, additions due to extraordinary earnings are left out in accordance with the previous paragraph.

d) The partner's settlement amount equals half the share of the surplus of assets over liabilities indicated on the settlement balance sheet (without capital, reserves, profit, and profit and loss carryovers) that applies to the exiting partner's participating interest (share of limited liability capital), and half the share of the amount calculated according to (c) corresponding to his participating interest. In other words, the arithmetic mean of the amounts calculated in accordance with (a) and (c) that apply to the participating interest is paid as the settlement amount. If a negative amount results from (c), for instance due to the existence of annual deficits, it is ignored; therefore, in any case, half of the partner's share of the amount resulting from the settlement balance sheet is paid as the settlement amount. A negative amount on the settlement balance sheet (surplus of liabilities over assets) is likewise ignored.

e) The settlement amount is limited in any case to 70 percent of the proportional enterprise value applicable to the exiting partner, in case the calculation according to the rules above does not already produce a smaller result. The enterprise value must be calculated according to economic principles, using the earnings value method. The average of the three full business years immediately preceding the settlement date should be assumed for calculating future revenues or earning surpluses. A capitalization interest rate of 12 percent (which is agreed considering all circumstances, particularly including the business risk, currency depreciation risk, and tax burden on the partners) should be used for calculating the present value by discounting.

(2) If a partner exits in the first 11 months of a business year, he does not participate in the profit or loss for the business year up to the time of his departure. If he exits during the 12th month, he participates in the profit or loss for the full business year. Compensation for the loss by making a payment to the Company is not necessary.

(3) To the extent the joint tax profit determination or a subsequent change to the same (taking into account the corrections expressly provided for in this agreement, which must be performed in any case) differs from the values used in item (1), these latter ones must be corrected accordingly when the assessment notice becomes final and without the possibility of appeal. However, this does not apply if the settlement amount has since been determined finally and without possibility of appeal, by agreement or court ruling. The supplemental or repayment amounts resulting from the correction must be paid interest-free.

(4) The partner's debts to the Company, if any, are subtracted from the settlement amount. The resulting amount represents the partner's settlement.

(5) The settlement accrues interest at 1 percent above the base interest rate, but no less than 5 percent per annum, starting on the reporting date underlying the valuation. Interest is paid at the times when settlement installments are due. The settlement is paid in four equal annual installments, the first of which is due six months after the partner's departure. If the precise amount of the settlement is not certain on the payment dates, reasonable progress payments must be made towards the principal and interest.

(6) The settlement may be fully or partially disbursed ahead of schedule at any time. The accelerated payments are counted towards the next payable installments.

(7) After the amount of the settlement has been determined, if an interest or principal installment is not paid, despite a reminder sent by registered mail, within one month after receipt of the same, the entire remaining balance of the settlement becomes due and payable.

(8) The disbursement and accrual of interest on the credit balance in the personal account must follow the rules in §11 even after the partner's departure, though departure from the Company is the equivalent of giving notice of full withdrawal (§11 [4] sentence 4). After a partner's departure the Company is no longer obligated to make funds available to him for tax payments, even where they relate to the time he belonged to the Company, if this would send the personal account into a negative balance.

(9) The exiting partner has no other rights or claims. In particular, he does not participate in pending transactions. He can demand to be released from the Company's current obligations only inasmuch as a creditor of the Company asserts a payment claim against him personally.

(10) If the parties cannot agree on the settlement amount, an arbitrator (who must not be in a customer/contractor relationship with the Company) decides at the request of either party. If the parties cannot agree on an arbitrator, the Institut der Wirtschaftsprüfer e.V., Düsseldorf, decides at the request of either party. The arbitrator must give the parties an opportunity to state their position. The exiting partner and the Company each pay half of the cost of the arbitrator.

§19 Acquisition of an exiting partner's participating interest

(1) If a partner exits from the Company, the other partners may, in the order provided for in §12 (2), acquire all or part of his participating interest by sending a written statement to the Company.

(2) As soon as the settlement for the exiting partner has been determined pursuant to §18, the Company must notify the eligible buyers in writing of the amount of the settlement. The acquisition right can then be exercised by those with priority eligibility only until two months—and by the other eligible buyers only until three months—after the time the Company mailed the registered letter containing the notice. The Company is required to promptly notify all partners in writing whether and to what extent the acquisition right has been exercised, both after two months and after three months have passed.

(3) If according to their acquisition statements multiple eligible buyers of equal rank seek to acquire more than the participating interest or the portion thereof available to them in consideration of their rank, they will divide the participating interest or the portion thereof available to them according to the proportion of their current participating interest, unless they agree on a different arrangement.

(4) Fourteen days before the due date in each case, the acquiring parties must make available to the Company the funds it must pay to the exiting partner as settlement and interest. Amounts already paid (including interest) and the partner's debts set off against the settlement amount must promptly be refunded to the Company, plus 2.5 percent interest above the base interest rate since the time those amounts were paid or set off. If there are multiple buyers, each of them is liable only for the portion of the funds corresponding to the part of the participating interest acquired by him.

(5) With the acquisition, the exiting partner's reserve account and special reserve account, but not his personal account, and also his share of profits and profit and loss carryovers not paid to him are transferred to the buyer(s), proportionally as applicable.

(6) If a partner exits the company without his share being acquired by one or more partners, the exiting partner's special reserve must be credited to the remaining partners' special reserve accounts in the proportion of their limited partnership shares.

V. Special provisions on the Company's participating interest in Grünenthal GmbH

§20 Exercise of participating interest rights in Grünenthal GmbH

(1) The Company's participating interest rights in Grünenthal GmbH are exercised such that the partners should participate in such a way and they should have the same rights and responsibilities as if they directly held participating interests in Grünenthal GmbH in the proportion of their participating interests in the Company.

(2) Without prejudice to the general principle outlined in paragraph 1, the following rules shall apply specifically:

a) The Managing Board exercises the voting rights in shareholder resolutions at Grünenthal GmbH in accordance with partner resolutions of Grünenthal Pharma GmbH & Co. KG which it first obtains. Passage of the resolutions is governed by the same majority requirements that apply for passage at Grünenthal Pharma GmbH & Co. KG, unless there is a different majority requirement for the resolution in case of the partners' direct participating interest in Grünenthal GmbH; in such a case the latter requirement takes precedence. By a three-fourths majority the partners may designate a representative to exercise the Company's voting rights at Grünenthal GmbH instead of the Managing Board. In this case the Managing Board must refrain from exercising voting rights in the matter in question, and must furnish a corresponding authorization letter to the representative appointed by the Partners' Meeting for external purposes, as well.

b) Together with the Supervisory Board, the Managing Board must ensure that the Supervisory Board and the Managing Board of Grünenthal GmbH are at all times filled with the same individuals as the Supervisory Board of Grünenthal Pharma GmbH & Co. KG and the Managing Board of the personally liable partner; this does not include the representative for the personally liable partner who must be appointed under Liechtenstein law. The special rights for filling the Supervisory Board provided for in §7 (1) are applicable. The principle of identical boards also applies for selecting the Chairman of the Supervisory Board, its Vice-Chairman, the composition of the Personnel Committee, and the appointment of authorized family attendees.

c) The Managing Board and Supervisory Board ensure that the special rights provided for in §6 (7) to (10) are applied with respect to selecting the General Managers of Grünenthal GmbH.

d) The special rights provided for in §6 (7) to (10) for filling the Managing Board of Grünenthal GmbH also apply if the appointment must be performed by the Partners' Meeting of Grünenthal GmbH due to the Supervisory Board's inability to act.

e) The Managing Board of Grünenthal Pharma GmbH & Co. KG must promptly forward to its partners notices and announcements from Grünenthal GmbH and its executive bodies addressed to Grünenthal Pharma GmbH & Co. KG as a shareholder of Grünenthal GmbH. The Managing Board and Supervisory Board must ensure—and by making corresponding statements and taking the necessary actions must see to it—that the objection and decision-making rights of shareholders of Grünenthal GmbH provided for in §9 (15) of its Articles of Incorporation can be performed by the partners of Grünenthal Pharma GmbH & Co. KG in such a way as if they were direct shareholders of Grünenthal GmbH. Accordingly, the Supervisory Board must promptly notify the partners if there is an objection and decision-making right for the shareholders of Grünenthal GmbH according to the Articles of Incorporation of Grünenthal GmbH due to a non-unanimous resolution by the Supervisory Board of Grünenthal GmbH. The partners of Grünenthal Pharma GmbH & Co. KG exercise the right of objection to the Chairman of the Supervisory Board of Grünenthal Pharma GmbH & Co. KG. The further procedure is governed accordingly by the provisions in §9 (15) of the Articles of Incorporation of Grünenthal GmbH, with the proviso that a partners' resolution of Grünenthal Pharma GmbH & Co. KG must be obtained.

f) The partners can demand a resolution concerning affairs of Grünenthal GmbH in the same forms and with the same time periods with which they can demand that a Partners' Meeting be convened and a resolution vote be performed at Grünenthal Pharma GmbH & Co. KG.

g) The partners of Grünenthal Pharma GmbH & Co. KG are entitled to receive the same information from Grünenthal GmbH as they would if they held a direct participating interest in Grünenthal GmbH.

VI. Liquidation of the Company

§21 Liquidation

The decision to liquidate the Company requires a three-fourths majority. Unless the partners decide otherwise by a two-thirds majority, the liquidator is the personally liable partner.

VII. Marital property regime of the partners

§22 Marital property regime

(1) For his marriage, each partner is required to agree in a marriage contract either on separate property, or

a) That his partnership share (i.e., his share of the Company's assets), surrogates for this asset value, earnings from these asset values and their surrogates, and the asset growth resulting from these asset values and their earnings do not belong to the gain requiring compensation for the benefit of his spouse within the meaning of BGB Sections 1363 et seq.;

b) That BGB Section 1365 does not apply to the asset value specified in (a).

c) The above also applies accordingly for registered domestic partnerships.

(2) Each of the other partners may request in a registered letter that any other partner demonstrate, by presenting the marriage contract within a period of 3 months, that he satisfies the requirement according to item (1). After the end of this period the partner may be excluded by resolution pursuant to §16 (1). Violation of the requirement in item (1) then represents good cause for exclusion. The exclusion is permissible regardless of the amount of time a partner in question has been married or since the request was made; however, it is no longer possible if the partner satisfies the requirement of item (1) by the time of the exclusion resolution.

VIII. Saving clause, arbitration, applicability

§23 Saving clause

Should provisions of this Partnership Agreement or any provision incorporated into it in the future be legally invalid or later lose its legal validity partially or in toto, the validity of the remaining provisions of the Partnership Agreement shall not be affected thereby. The same applies if a lacuna becomes apparent in the Partnership Agreement. In lieu of the invalid provisions or to close the lacuna, a reasonable arrangement shall apply that, as far as legally possible, most nearly approximates what the partners would have desired if they had considered the point when they concluded the agreement.

§24 Arbitration

(1) Disputes arising from the partnership, particularly from this agreement and any addenda, including those concerning the legal validity of the agreement and any addenda, will be decided by an arbitration tribunal agreed in a separate instrument, excluding recourse to courts of general jurisdiction.

(2) Each new partner, without prejudice to the validity of the arbitration clause for him as well, must formally join the arbitration agreement made in the separate instrument.

§25 Applicability

This Partnership Agreement reflects the status as of 29 March 2014.