

MorphoSys AG



Planegg

Security identification number: 663200

ISIN: DE0006632003

Convenience translation:

The text decisive for the invitation to the Annual General Meeting of MorphoSys AG is the one written in the German language.

Invitation to the 2021 Virtual Ordinary Annual General Meeting of MorphoSys AG

Type of Information	Description
A. Specification of the message	
1.Unique identifier of the event	MOR052021oHV
2.Type of message	meeting notice of a General Meeting [format pursuant to Implementing Regulation (EU) 2018/1212: NEWM]
B. Specification of the issuer	
1.ISIN	DE0006632003
2.Name of issuer	MorphoSys AG
C. Specification of the meeting	

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1.Date of the General Meeting	19.05.2021 [format pursuant to Implementing Regulation (EU) 2018/1212: 20210519]
2.Time of the General Meeting	14:00 hrs. (CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 12:00 UTC]
3.Type of the General Meeting	Ordinary General Meeting [format pursuant to Implementing Regulation (EU) 2018/1212: GMET]
4.Location of the General Meeting	in accordance with the German Stock Corporation Act: MorphoSys AG, Semmelweisstrasse 7, 82152 Planegg, Germany; virtual General Meeting: www.morphosys.com/agm
5.Record Date	28.04.2021 (00:00 hrs. CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 20210427]
6.Uniform Resource Locator (URL)	www.morphosys.com/agm

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We hereby invite our shareholders to the Ordinary Annual General Meeting of MorphoSys AG, Planegg, to be held on Wednesday, May 19, 2021, at 2:00 p.m. (CEST). Due to the ongoing COVID-19 pandemic, this year's Annual General Meeting, as in the previous year, will be held as a virtual meeting without the physical presence of shareholders or their proxies, except for the proxies nominated by the Company.

The Annual General Meeting, as per the definition of the German Stock Corporation Act (Aktiengesetz [AktG]), will be held at the Company's corporate headquarters located at Semmelweisstrasse 7, 82152 Planegg, Germany. Shareholders and their proxies have no right or opportunity to be physically present at the location of the Annual General Meeting. The entire Annual General Meeting will be visually and audibly transmitted live for duly registered shareholders and their proxies through the password-protected web service that can be accessed via the Company's website at www.morphosys.com/agm. Even for shareholders who have authorized third parties, the shareholders' voting rights are to be exercised exclusively by electronic voting by mail or by granting power of attorney and issuing instructions to the proxies nominated by the Company.

I.

Agenda

- 1. Presentation of the adopted financial statements and the approved consolidated financial statements as of December 31, 2020; the management reports, including the report of the Supervisory Board for the 2020 financial year; and the Management Board's explanatory report regarding the disclosures pursuant to sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch [HGB])**

The above documents are available to download from the Internet at www.morphosys.com/agm. They can also be sent to shareholders free of charge immediately upon request. The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Management Board; the annual financial statements are thus adopted. No resolution is therefore required on this agenda item.

- 2. Resolution on the discharge of Management Board members for the 2020 financial year**

The Management Board and the Supervisory Board propose to discharge the Management Board members for the 2020 financial year.

- 3. Resolution on the discharge of Supervisory Board members for the 2020 financial year**

The Management Board and the Supervisory Board propose to discharge the Supervisory Board members for the 2020 financial year.

4. Resolution on the appointment of the auditor for the 2021 financial year

Pursuant to the Audit Reform Act and the requirements for the external and internal rotation of the auditor, in 2020, the Audit Committee carried out a public invitation to tender for the audit of the 2021 annual financial statements and half-year report and, as a result, made a corresponding recommendation to the Supervisory Board. Further information on the public invitation to tender is available on the Company's website at www.morphosys.com/agm.

Based on the above, at the recommendation of its Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, be elected as auditor of the annual financial statements and consolidated financial statements for the 2021 financial year and as the auditor for the review of the half-year financial report as of June 30, 2021, pursuant to section 115 para. 5 of the German Securities Trading Act (Wertpapierhandelsgesetz [WpHG]).

5. Resolution on the election of Supervisory Board members

The Supervisory Board consists of six members pursuant to sections 95 and 96 para. 1 AktG and Article 8 para. 1 of the Company's Articles of Association. As the Company is not subject to co-determination, its Supervisory Board is comprised solely of shareholder representatives. Pursuant to section 102 para. 1 AktG and Article 8 para. 2 of the Company's Articles of Association, Supervisory Board members are elected for a period ending no later than the end of the Annual General Meeting in which the discharge of the Supervisory Board for the fourth financial year after commencing the term of office is resolved. The financial year in which the term of office begins shall not be counted.

The terms of office of Supervisory Board members Dr. Marc Cluzel, Ms. Krisja Vermeylen and Ms. Sharon Curran will end at the close of the Annual General Meeting on May 19, 2021. It is not necessary to reappoint the other members of the Supervisory Board as their terms of office are still in effect. Dr. Marc Cluzel, Ms. Krisja Vermeylen and Ms. Sharon Curran are standing for reelection and shall be reelected to the Supervisory Board effective as of the close of the Annual General Meeting on May 19, 2021. A total of three Supervisory Board members is therefore to be newly elected.

Based on the above, and in accordance with the proposal of its Remuneration and Nomination Committee, the Supervisory Board proposes that the persons named below under subsections a), b) and c) be elected as members of the Supervisory Board. The persons named below under subsections a), b) and c) will be elected with effect from the end of the Annual General Meeting on May 19, 2021. The appointment of the persons named below under subsections a), b) and c) shall be made for the period until the end of the Annual General Meeting which resolves on the discharge of the Supervisory Board for the second financial year after the beginning of the term of office, not including the financial year in which the term of office begins (for the persons

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named under subsections a), b) and c), presumably until the end of the ordinary Annual General Meeting in 2024):

a) Dr. Marc Cluzel

Profession: Self-employed management consultant for the life sciences and healthcare industries

Residence: Montpellier, France

b) Ms. Krisja Vermeylen

Profession: Self-employed management consultant for the life sciences and healthcare industries

Residence: Herentals, Belgium

c) Ms. Sharon Curran

Profession: Non-Executive Director in the life sciences and healthcare industries

Residence: Dublin, Ireland

The candidates proposed for election are (i) a member of statutory supervisory boards at the companies listed below and (ii) a member of a comparable domestic or foreign supervisory body of a business enterprise at the companies listed below:

a) Dr. Marc Cluzel

(i) None

(ii) Moleac Pte. Ltd, Singapore (not listed), member of the Board of Directors;

Griffon Pharmaceuticals Inc., Montreal, Canada (not listed), Member of the Board of Directors

b) Ms. Krisja Vermeylen

(i) None

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- (ii) Diaverum AB, Lund, Sweden (not listed), Member of the Board of Directors
- c) Ms. Sharon Curran
 - (i) None
 - (ii) Circassia Pharmaceuticals plc, Oxford, United Kingdom (listed), member of the Board of Directors;

CAT Capital TopCo Limited, Saint Peter Port, Guernsey (not listed), Member of the Board of Directors;

CAT Capital BidCo Limited, Dublin, Ireland (not listed), Member of the Board of Directors

Detailed resumes of the proposed candidates can be viewed online at www.morphosys.com/agm.

In accordance with the German Corporate Governance Code, the proposed candidates will ensure that they have sufficient time to perform their duties; in addition, the Supervisory Board has satisfied itself that the proposed candidates can devote the expected amount of time.

The proposed candidates do not have any personal or business relationship with MorphoSys AG or its group companies or the corporate bodies of MorphoSys AG, which would have to be disclosed pursuant to the German Corporate Governance Code. A disclosable personal or business relationship with a shareholder with a material interest in MorphoSys AG as defined by the German Corporate Governance Code does not come into consideration, as MorphoSys AG has no such shareholder. None of the proposed candidates as members of the Supervisory Board has served in this function for more than ten years. Furthermore, all members of the Supervisory Board of MorphoSys AG are independent per the definition of the German Corporate Governance Code.

Reference is made to the fact that Dr. Marc Cluzel shall be proposed as a candidate for the chairmanship of the Supervisory Board.

The election proposal takes into account the objectives resolved by the Supervisory Board for its composition and aims to fulfill the competence profile, the women's quota and the diversity concept developed by the Supervisory Board for the entire body. These objectives were last adopted by the Supervisory Board on July 8, 2020 and are published together with the status of implementation in the Corporate Governance Statement for the 2020 financial year, which is contained in the 2020 Annual Report and on the Company's website.

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The candidates proposed for election, as well as the Supervisory Board members not standing for reelection, are familiar in their entirety with the sector in which the Company operates.

6. Resolution on the cancellation of Authorized Capital 2018-I and the creation of a new Authorized Capital 2021-I with the option to exclude statutory subscription rights; amendment to the Articles of Association

In order to continue to give the management sufficient room to maneuver, the existing Authorized Capital 2018-I pursuant to Article 5 para. 5 of the Company's Articles of Association, which was created in accordance with the resolution of the Annual General Meeting of May 17, 2018 under Agenda Item 6 and no longer authorizes the exclusion of subscription rights to a sufficient extent due to the issue of convertible bonds, is to be canceled and a new Authorized Capital 2021-I is to be created that authorizes an increase of up to 14,78 % of the share capital of the Company and, subject to certain conditions, also excludes shareholders' subscription rights up to an amount of 10 % of the share capital. The cancellation of Authorized Capital 2018-I shall take effect only if Authorized Capital 2021-I effectively replaces it.

In view of the above, the Management Board and the Supervisory Board propose the adoption of the following resolution:

a) Cancellation of Authorized Capital 2018-I; amendment to the Articles of Association

Authorized Capital 2018-I pursuant to Article 5 para. 5 of the Company's Articles of Association shall be canceled, insofar as this authorization has not yet been utilized at the time of entry into the Commercial Register of the Authorized Capital 2021-I resolved pursuant to subsections b) and c), with effect from the time of entry in the Commercial Register of Authorized Capital 2021-I resolved pursuant to subsections b) and c).

b) Creation of a new Authorized Capital 2021-I

With the Supervisory Board's consent, the Management Board shall be authorized to increase the Company's share capital by issuing a maximum of 4,861,376 new no-par value bearer shares against cash and/or non-cash contributions up to an amount of 4,861,376.00 € on one or several occasions until and including the date of May 18, 2026 (Authorized Capital 2021-I).

In the case of capital increases, shareholders are generally entitled to a subscription right. The shares may also be underwritten by one or more banks with the obligation to offer them to the shareholders for subscription. With the Supervisory Board's consent, the Management Board is, however, authorized to exclude the subscription rights of shareholders in the following cases:

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- aa) in the case of a capital increase against cash contributions, to the extent necessary to avoid fractional amounts; or
- bb) in the case of a capital increase against non-cash contributions; or
- cc) in the case of a capital increase against cash contributions, insofar as the new shares are placed in the course of an IPO on a foreign stock exchange.

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash and/or non-cash contributions and including the deductions listed below, shall not exceed 10 % of the share capital calculated either at the time these authorizations take effect or at the time they are exercised, based on whichever amount is lower. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with the exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims by members of the Management Board and/or employees of the Company and/or its affiliated companies under employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

With the Supervisory Board's consent, the Management Board shall be authorized to determine the further details of the capital increase and its execution.

c) Amendment of the Articles of Association

Article 5 para. 5 of the Articles of Association of the Company shall be amended as follows:

"(5) With the consent of the Supervisory Board, the Management Board is authorized to increase the Company's share capital by issuing a maximum of 4,861,376 new no-par value bearer shares against cash and/or non-cash contributions up to an amount of 4,861,376.00 € on one or several occasions until and including the date of May 18, 2026 (Authorized Capital 2021-I).

In the case of capital increases, shareholders are generally entitled to subscription rights. The shares may also be underwritten by one or more banks with the obligation to offer

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them to the shareholders for subscription. With the consent of the Supervisory Board, the Management Board is authorized however to exclude shareholders' subscription rights

- aa) in the case of a capital increase against cash contributions, to the extent necessary to avoid fractional amounts; or*
- bb) in the case of a capital increase against non-cash contributions; or*
- cc) in the case of a capital increase against cash contributions, insofar as the new shares are placed in the course of an IPO on a foreign stock exchange.*

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash and/or non-cash contributions and including the deductions listed below, may not exceed 10 % of the share capital calculated either at the time these authorizations take effect or at the time they are exercised, based on whichever amount is lower. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with the exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims by members of the Management Board and/or employees of the Company and/or its affiliated companies under employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

With the consent of the Supervisory Board, the Management Board is authorized to determine the further details of the capital increase and its execution."

7. Resolution on the cancellation of Authorized Capital 2020-I and the creation of a new Authorized Capital 2021-II with the option to exclude statutory subscription rights; amendment to the Articles of Association

The previously existing Authorized Capital 2020-I (Article 5 para. 6 of the Company's Articles of Association), which was created by resolution of the Annual General Meeting on May 27, 2020, under Agenda Item 10, no longer authorizes the exclusion of subscription rights to a sufficient extent due to the issue of convertible bonds. In order to continue to give the management sufficient room to maneuver, the Company's existing Authorized Capital 2020-I is to be canceled, and a new Authorized Capital 2021-II is to be created, which authorizes an increase

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of up to 10 % of the Company's share capital and, subject to certain conditions, also the exclusion of shareholders' subscription rights to this extent. The cancellation of Authorized Capital 2020-I shall take effect only if Authorized Capital 2021-II effectively replaces it.

In view of the above, the Management Board and the Supervisory Board propose the adoption of the following resolution:

a) Cancellation of Authorized Capital 2020-I

Authorized Capital 2020-I pursuant to Article 5 para. 6 of the Company's Articles of Association shall be canceled, insofar as this authorization has not yet been utilized at the time of entry into the Commercial Register of the Authorized Capital 2021-II resolved pursuant to subsections b) and c), with effect from the time of entry in the Commercial Register of Authorized Capital 2021-II resolved pursuant to subsections b) and c).

b) Creation of a new Authorized Capital 2021-II

With the Supervisory Board's consent, the Management Board shall be authorized to increase the Company's share capital by issuing a maximum of 3,289,004 new no-par value bearer shares against cash contributions up to an amount of 3,289,004.00 € on one or several occasions until and including the date of May 18, 2026 (Authorized Capital 2021-II).

Shareholders are generally entitled to a subscription right. The shares may also be underwritten by one or more banks with the obligation to offer them to the shareholders for subscription. With the Supervisory Board's consent, the Management Board is, however, authorized to exclude the subscription rights of shareholders in the following cases:

aa) to the extent necessary to avoid fractional amounts; or

bb) if the issue price of the new shares is not significantly below the market price of shares of the same class already listed and the total number of shares issued against contribution in cash, excluding subscription rights, during the term of this authorization does not exceed 10 % of the share capital on the date this authorization takes effect or at the time it is exercised, in accordance with or in the respective application of section 186 para. 3 sentence 4 AktG. This 10 % limit shall take into account treasury shares of the Company, which are sold during the term of this authorization with the exclusion of shareholders' subscription rights in accordance with section 71 para. 1 no. 8 sentence 5 clause 2 AktG in conjunction with section 186 para. 3 sentence 4 AktG. Furthermore, shares issued or to be issued to service convertible bonds and/or bonds with warrants shall be included in this 10 % limit of the share capital, provided that these convertible bonds and/or bonds with warrants were issued during the term of this authorization with the

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exclusion of subscription rights in the respective application of section 186 para. 3 sentence 4 AktG. In addition, shares issued excluding shareholders' subscription rights during the term of this authorization on the basis of other capital measures in direct or mutatis mutandis application of section 186 para. 3 sentence 4 AktG shall be included in this 10 % limit of the share capital. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect in accordance with section 186 para. 3 sentence 4 AktG after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph bb).

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash contributions and including the deductions listed below, shall not exceed 10 % of the share capital calculated either at the time these authorizations take effect or at the time they are exercised, based on whichever amount is lower. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with the exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims of members of the Management Board and/or employees of the Company and/or its affiliated companies under employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

With the Supervisory Board's consent, the Management Board shall be authorized to determine the further details of the capital increase and its execution.

c) Amendment of the Articles of Association

Article 5 para. 6 of the Articles of Association of the Company shall be amended as follows:

"(6) *With the Supervisory Board's consent, the Management Board is authorized to increase the Company's share capital by issuing a maximum of 3,289,004 new no-par value bearer shares against cash contributions up to an amount of*

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3,289,004.00 € on one or several occasions until and including the date of May 18, 2026 (Authorized Capital 2021-II).

Shareholders are generally entitled to a subscription right. The shares may also be underwritten by one or more banks with the obligation to offer them to the shareholders for subscription. With the Supervisory Board's consent, the Management Board is, however, authorized to exclude the subscription rights of shareholders in the following cases:

- aa) to the extent necessary to avoid fractional amounts; or
- bb) if the issue price of the new shares is not significantly below the market price of shares of the same class already listed and the total number of shares issued against contribution in cash, excluding subscription rights, during the term of this authorization does not exceed 10 % of the share capital on the date this authorization takes effect or at the time it is exercised, in accordance with or in the respective application of section 186 para. 3 sentence 4 AktG. This 10 % limit shall take into account treasury shares of the Company which are sold during the term of this authorization with the exclusion of shareholders' subscription rights in accordance with section 71 para. 1 no. 8 sentence 5 clause 2 AktG in conjunction with section 186 para. 3 sentence 4 AktG. Furthermore, shares issued or to be issued to service convertible bonds and/or bonds with warrants shall be included in this 10 % limit of the share capital, provided that these convertible bonds and/or bonds with warrants were issued during the term of this authorization with the exclusion of subscription rights in the respective application of section 186 para. 3 sentence 4 AktG. In addition, shares issued excluding shareholders' subscription rights during the term of this authorization on the basis of other capital measures in direct or mutatis mutandis application of Section 186 para. 3 sentence 4 AktG shall be included in this 10 % limit of the share capital. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect in accordance with section 186 para. 3 sentence 4 AktG after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph bb).

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash contributions and including the deductions listed below, may not exceed

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10% of the share capital calculated either at the time these authorizations take effect or at the time they are exercised, based on whichever amount is lower. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with the exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims of members of the Management Board and/or employees of the Company and/or its affiliated companies under employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

With the consent of the Supervisory Board, the Management Board is authorized to determine the further details of the capital increase and its implementation."

8. Resolution on the creation of an Authorized Capital 2021-III under exclusion of subscription rights for the purpose of serving "Restricted Stock Units" to be issued to senior managers and employees of MorphoSys US Inc. under the "Restricted Stock Unit Program 2021" of the Company; amendment to the Articles of Association

The Management Board intends, with the consent of the Supervisory Board, to resolve on a further "Restricted Stock Unit Program" to function as a long-term, share-based remuneration component for senior managers and employees (including directors and officers) of the 100 % U.S. subsidiary of the Company, MorphoSys US Inc. (the "RSUP 2021" or "Restricted Stock Unit Program 2021"). The RSUP 2021 is intended to be substantially similar to the Restricted Stock Unit Program dating from 2019, which is already in place at MorphoSys US Inc.

An attractive and competitive remuneration program is essential for the recruitment and long-term commitment of highly qualified employees. Pursuant to the RSUP 2021, the Company shall be allowed, just as already under the previous Restricted Stock Unit Program from 2019, to grant so-called "Restricted Stock Units" ("RSUs") to beneficiaries, which – if certain requirements are met – grant the beneficiaries a claim against the Company for a cash payment depending on the stock exchange price of the shares of the Company. However, the terms and conditions of the RSUP 2021 shall include a substitution right of the Company, permitting it to fulfill the payment claims of RSU beneficiaries by delivering shares instead of cash. In order for the Company to be able to issue new shares in such case, and to fulfill the payment claims of

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the respective beneficiaries when due, a new authorized capital (Authorized Capital 2021-III) shall be created.

The Management Board and the Supervisory Board therefore propose to resolve as follows:

a) Creation of an Authorized Capital 2021-III under exclusion of subscription rights

The Management Board is authorized, with the consent of the Supervisory Board, until 18 May 2026 (including) to increase the Company's registered share capital by up to 315,000.00 € against cash contributions and/or contributions in kind once or several times by issuing up to 315,000 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) (Authorized Capital 2021-III).

The subscription rights of shareholders are excluded. The Authorized Capital 2021-III serves the purpose of delivering shares of the Company against the contribution of payment claims resulting from Restricted Stock Units (RSUs) in order to fulfill RSUs that were granted in accordance with the terms and conditions of the Restricted Stock Unit Program 2021 of the Company (RSUP 2021) exclusively to senior managers and employees (including directors and officers) of MorphoSys US Inc.

The issue price of the new shares must amount to at least 1,00 € and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP 2021. The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation from section 60 para. 2 AktG, also participate in the profit of an already completed fiscal year, provided that no resolution on the appropriation of profits has yet been adopted for the fiscal year in question.

b) Amendment of section 5 of the Articles of Association of the Company

Article 5 of the Articles of Association of the Company shall be supplemented by a new paragraph 6a as follows:

“(6 a) The Management Board is authorized, with the consent of the Supervisory Board, until 18 May 2026 (including) to increase the Company's registered share capital by up to 315,000.00 € against cash contributions and/or contributions in kind once or several times by issuing up to 315,000 new no-par value bearer shares (auf den Inhaber lautende Stückaktien) (Authorized Capital 2021-III).

The subscription rights of shareholders are excluded. The Authorized Capital 2021-III serves the purpose of delivering shares of the Company against the

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contribution of payment claims resulting from Restricted Stock Units (RSUs) in order to fulfill RSUs that were granted in accordance with the terms and conditions of the Restricted Stock Unit Program 2021 of the Company (RSUP 2021) exclusively to senior managers and employees (including directors and officers) of MorphoSys US Inc.

The issue price of the new shares must amount to at least 1,00 € and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP 2021. The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation from section 60 para. 2 AktG, also participate in the profit of an already completed fiscal year, provided that no resolution on the appropriation of profits has yet been adopted for the fiscal year in question.”

9. Resolution on the cancellation of Conditional Capital 2008-III, the reduction of Conditional Capital 2016-I and the reduction of Conditional Capital 2016-III; amendments to the Articles of Association

The Company has Conditional Capital 2008-III, which is contained in Article 5 para. 6e of the Company's Articles of Association. Conditional Capital 2008-III currently amounts to 13,415.00 €. As Conditional Capital 2008-III can meanwhile no longer be exercised, Conditional Capital 2008-III is no longer required and can be canceled. There are no beneficiaries from Conditional Capital 2008-III.

The Company has Conditional Capital 2016-I, which is contained in Article 5 para. 6b of the Company's Articles of Association. Conditional Capital 2016-I currently amounts to 5,307,536.00 €. As only a portion of Conditional Capital 2016-I is still required, it can be reduced to 2,475,437.00 € (the maximum amount still required to service the conversion and warrant rights issued). There are no beneficiaries who could prevent the reduction of Conditional Capital 2016-I.

The Company has Conditional Capital 2016-III, which is contained in Article 5 para. 6g of the Company's Articles of Association. Conditional Capital 2016-III currently amounts to 995,162.00 €. As only a portion of Conditional Capital 2016-III is still required, it can be reduced to 741,390.00 € (the maximum amount still required to service the conversion and warrant rights issued). There are no beneficiaries who could prevent the reduction of Conditional Capital 2016-III.

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The Management Board and Supervisory Board therefore propose that the following resolution be adopted:

- a) Cancellation of Conditional Capital 2008-III
 - i. Conditional Capital 2008-III contained in Article 5 para. 6e of the Company's Articles of Association shall be canceled in full.
 - ii. Article 5 para. 6e of the Company's Articles of Association shall be revoked without replacement.

- b) Reduction of Conditional Capital 2016-I
 - i. Conditional Capital 2016-I contained in Article 5 para. 6b of the Company's Articles of Association shall be reduced from 5,307,536.00 € to 2,475,437.00 €.
 - ii. Article 5 para. 6b sentence 1 of the Company's Articles of Association shall be amended as follows:

"The share capital of the Company is conditionally increased by up to 2,475,437.00 € by issuing up to 2,475,437 new no-par value bearer shares (Conditional Capital 2016-I)."

- c) Reduction of Conditional Capital 2016-III
 - i. Conditional Capital 2016-III contained in Article 5 para. 6g of the Company's Articles of Association shall be reduced from 995,162.00 € to 741,390.00 €.
 - ii. Article 5 para. 6g sentence 1 of the Company's Articles of Association shall be amended as follows:

"The share capital of the Company is conditionally increased by up to 741,390.00 € by issuing up to 741,390 new no-par value bearer shares (Conditional Capital 2016-III)."

10. Resolution on the creation of a new Conditional Capital 2021-I and the authorization of the Management Board to issue convertible bonds/bonds with warrants with the option to exclude subscription rights; amendment to the Articles of Association

By resolution of the Annual General Meeting on June 2, 2016, Conditional Capital 2016-I in the amount of 5,307,536.00 € was created in accordance with Article 5 para. 6b of the Company's Articles of Association. The related authorization to issue bonds with conversion or warrant rights to shares in the Company expires on April 30, 2021. In order to maintain the Company's statutory options for raising capital in the future, a new authorization to issue bonds with conversion or warrant rights to shares in the Company and a new Conditional Capital 2021-I in the amount of up to 10 % of the Company's share capital are to be created. The Company

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issued bonds on October 16, 2020 on the basis of the authorization granted by the Annual General Meeting on June 2, 2016.

The Management Board and Supervisory Board therefore propose that the following resolution be adopted:

- a) With the consent of the Supervisory Board, the Management Board shall be authorized to issue bearer or registered convertible bonds or bonds with warrants (collectively "**bonds**") with a total nominal amount of up to 3,289,004.00 € with or without a limited term and to grant the holders of bonds with conversion or warrant rights to subscribe to a total of up to 3,289,004 new no-par value bearer shares in the Company, each with a notional interest in the share capital of 1.00 € ("**new shares**"), in accordance with the more detailed provisions of the bond or warrant terms and conditions. The bonds are to be issued against cash contributions. The authorization also includes the possibility of assuming the guarantee for bonds issued by companies in which the Company directly or indirectly holds a majority interest and of granting new shares in the Company to fulfill the conversion or warrant rights granted with these bonds. The authorization is valid until the end of May 18, 2026. The bonds may be issued once or several times, in whole or in part. Individual fractional bonds shall carry rights and obligations ranking pari passu among themselves.

In the case of the issue of convertible bonds, the holders are granted the right to convert their respective bonds into new shares of the Company in accordance with the terms and conditions of the bonds. The conversion ratio is calculated by dividing the nominal amount of the bond by the fixed conversion price for one new share of the Company. The conversion ratio may also be calculated by dividing the issue price of a bond that is lower than the nominal amount by the fixed conversion price for one new share. The bond conditions may provide for a conversion obligation.

In the case that bonds with warrants are issued, one or more warrants shall be attached to each bond entitling the holder to subscribe for new shares against payment of the warrant price in accordance with the warrant terms and conditions.

It may be provided for that the conversion ratio and/or the conversion or warrant price in the bond or warrant terms and conditions is variable and that the conversion or warrant price is set within a range to be determined depending on the development of the share price during the term. The notional interest in the share capital attributable to the new shares to be subscribed for per bond may not exceed the nominal amount of the respective bond or an issue price of the respective bond that is lower than the nominal amount.

The conversion or warrant price may not be set below 80 % of the price of the MorphoSys AG share in the closing auction in Xetra trading (or a comparable successor system) on

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the Frankfurt Stock Exchange. The relevant price shall be the average closing price on the five trading days prior to the final decision of the Management Board on the issuance of the bonds. If the shareholders are granted a subscription right to the bonds and this subscription right is traded on the Frankfurt Stock Exchange, the closing prices of the shares of MorphoSys AG on the days of subscription right trading, with the exception of the last two trading days of subscription right trading, shall be used to determine the average closing price. If a closing auction does not take place on the relevant trading days or if no closing price is determined in the auction, the last price in continuous trading shall apply, provided there was continuous trading on this trading day.

Sections 9 para. 1 and 199 para. 2 of the AktG shall remain unaffected.

With the consent of the Supervisory Board, the Management Board is authorized to determine the further terms and conditions of the bonds. The terms and conditions may also regulate, among other things,

- whether treasury shares of MorphoSys AG or the payment of the consideration in cash or listed securities will be offered instead of the fulfillment using Conditional Capital 2021-I,
- whether the conversion or warrant price and/or the conversion ratio is to be fixed when the bond is issued or is to be determined on the basis of future stock exchange prices within a range to be specified,
- whether and how to round to a full conversion ratio,
- whether an additional payment to be made in cash or a cash settlement is set for fractions,
- whether a specific date can be set by which the conversion or warrant rights can or must be exercised,
- in which currency the bonds are issued, and
- whether there is a conversion obligation.

The bonds shall in principle be offered to the shareholders for subscription. The bonds shall then be underwritten by at least one credit institution or at least one company operating pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (Gesetz über das Kreditwesen [KWG]) with the obligation to offer them to the shareholders for subscription. With the consent of the Supervisory Board, the Management Board is authorized however to exclude subscription rights in the following cases:

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- Insofar as the new shares to be issued on the basis of the conversion or warrant rights do not exceed a total of 10 % of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised. The calculation of the 10 % limit of the share capital shall include:
 - a. shares issued during the term of this authorization excluding shareholders' subscription rights in accordance with or by mutatis mutandis application of section 186 para. 3 sentence 4 AktG, and
 - b. shares issued or to be issued to service bonds with conversion or warrant rights on the basis of other authorizations, insofar as and to the extent that the bonds are issued excluding shareholders' subscription rights during the term of this authorization in mutatis mutandis application of section 186 para. 3 sentence 4 AktG.

The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect in accordance with section 186 para. 3 sentence 4 AktG after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of this subsection.

Furthermore, the exclusion of shareholders' subscription rights in accordance with the above provision shall only be permissible if the issue price of the bonds is not significantly lower than their theoretical market value calculated using recognized financial mathematical methods.

- To the extent necessary to avoid fractional amounts resulting from the subscription ratio.
- To grant subscription rights to the holders of conversion or warrant rights to shares in the Company to compensate for dilution of the economic value of such rights to the extent to which they would be entitled after exercising these rights.

The authorizations to exclude subscription rights contained in the above paragraphs are limited in total to an amount not exceeding 10 % of the share capital calculated at either the time this authorization takes effect or the time this authorization is exercised, based on whichever amount is lower. The aforementioned 10 % limit shall also include treasury shares sold with the exclusion of subscription rights during the term of this authorization and shares issued with the exclusion of subscription rights during the term of this authorization, provided that the shares in the aforementioned cases are not used in each case to service claims of board members and/or employees of the Company and/or its affiliated companies under employee participation programs. Furthermore, the limit shall include shares to be issued to service convertible bonds and/or bonds with warrants if

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these convertible bonds and/or bonds with warrants were issued on the basis of another authorization pursuant to section 221 para. 2 AktG during the term of this authorization under exclusion of subscription rights, insofar as the shares also do not serve to service claims of board members and/or employees of the Company and/or its affiliated companies from employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

Notwithstanding section 9 para. 1 AktG, the conversion or warrant price may be reduced based on a dilution protection clause in accordance with the more detailed provisions of the bond or warrant terms and conditions if, during the conversion or warrant period, the Company increases the share capital or issues or guarantees further bonds while granting an exclusive subscription right to its shareholders and does not, in this context, grant the holders of existing conversion or warrant rights a subscription right to which they would be entitled after exercising the conversion or warrant right or fulfilling the conversion obligation.

The bond or warrant terms and conditions may also provide for a value-preserving adjustment of the conversion or warrant price for other measures of the Company that may lead to a dilution of the value of the conversion or warrant rights.

- b) As a highly precautionary measure, the authorization to issue bonds with conversion or warrant rights for shares in the Company on the basis of the resolution of the Annual General Meeting of June 2, 2016, which had already expired on the date of the Annual General Meeting, is hereby expressly canceled once again. Conditional Capital 2016-I shall remain in force insofar as it is required to service convertible bonds issued on October 16, 2020.
- c) To service conversion and warrant rights on the basis of the authorization under a) above, the share capital of the Company shall be conditionally increased by up to 3,289,004.00 € by issuing up to 3,289,004 no-par value bearer shares in accordance with a) above. The conditional capital increase serves to grant conversion and warrant rights – in accordance with the bond or warrant terms and conditions – to the holders of bonds issued in accordance with the above authorization up to and including the date of May 18, 2026. The new shares shall be issued at the conversion or warrant price to be determined in accordance with a) above and in accordance with the respective bond or warrant terms and conditions. The conditional capital increase shall only be carried out to the extent that the holders of the bonds exercise their conversion or warrant rights or the holders of the bonds with a conversion obligation fulfill their conversion obligation and to the extent that treasury shares are not made available to service these rights. The shares – to the extent

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they come into existence by the beginning of the Annual General Meeting of the Company – shall participate in profits from the beginning of the preceding financial year, otherwise from the beginning of the financial year in which they come into existence.

- d) Article 5 para. 6c of the Articles of Association of the Company shall be amended as follows:

"(6 c) The share capital of the Company is conditionally increased by up to 3,289,004.00 € by issuing up to 3,289,004 new no-par value bearer shares (Conditional Capital 2021-I). The conditional capital increase serves exclusively to grant new shares to the holders of conversion or warrant rights issued by the Company or by companies in which the Company directly or indirectly holds a majority interest in accordance with the authorization resolution of the Annual General Meeting of May 19, 2021 under Agenda Item 10 a). The shares shall be issued at the conversion or warrant price to be determined in each case in accordance with the aforementioned resolution. The conditional capital increase shall only be carried out to the extent that the holders of conversion or warrant rights exercise their conversion or warrant rights or fulfill conversion obligations under such bonds. The shares shall participate in profits – to the extent they come into existence by the beginning of the Annual General Meeting of the Company – from the beginning of the preceding financial year, otherwise from the beginning of the financial year in which they come into existence."

11. Resolution on the approval of the remuneration system for members of the Management Board

Pursuant to section 120 para. 4 AktG in its version applicable until December 31, 2019, the General Meeting of MorphoSys AG could resolve upon the approval of the remuneration system for the members of the Management Board. The current remuneration system for the members of the Management Board of MorphoSys AG was last approved by the Annual General Meeting on May 19, 2011.

The Act Implementing the Second Shareholders' Rights Directive ("**ARUG II**"), which was announced in the Federal Law Gazette on December 19, 2019, deleted section 120 para. 4 AktG and introduced a new section 120a AktG. Section 120a para. 1 sentence 1 AktG provides that the General Meeting of a listed company shall resolve upon the approval of the remuneration system for the members of the Management Board, which has been adopted by the Supervisory Board in accordance with the provisions of the also newly introduced section 87a AktG, and submitted to the General Meeting in case of any material change to the remuneration system, but at least every four years. The first resolutions of the Supervisory Board and the General Meeting shall be adopted by the end of the first Annual General Meeting following December 31, 2020.

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The Supervisory Board proposes – based on the recommendation of its Remuneration and Nomination Committee – to approve the remuneration system for the members of the Management Board of MorphoSys AG as described in this invitation under VI. below and as adopted by the Supervisory Board with effect as of June 1, 2021.

12. Resolution on the remuneration of the members of the Supervisory Board

Pursuant to Section 113 para. 3 AktG, as amended by the Act Implementing the Second Shareholders' Rights Directive (“**ARUG II**”), the General Meeting of a listed company must resolve at least every four years upon the remuneration of the members of the Supervisory Board. The first resolution must be passed by the end of the first Annual General Meeting following December 31, 2020. A resolution confirming the remuneration is permissible.

The remuneration of the members of the Supervisory Board is to be determined by the Annual General Meeting in accordance with Article 15 para. 1 of the Articles of Association of the Company. The remuneration was last determined by the Annual General Meeting on May 27, 2020 and has remained unchanged since then.

The Management Board and the Supervisory Board have again reviewed the current remuneration of the members of the Supervisory Board under the participation of an external remuneration expert, and have come to the conclusion that the current remuneration for the members of the Supervisory Board of the Company is appropriate. The Management Board and the Supervisory Board therefore propose to confirm the existing remuneration for the members of the Supervisory Board and to adopt the remuneration system for the members of the Supervisory Board as described in this invitation under VII.

13. Resolution on further amendments to the Articles of Association

The Company regularly reviews its Articles of Association to determine whether the individual provisions are still up-to-date and appropriate. In the process, the management has identified the following provisions of the Articles of Association that should be amended or repealed.

The current version of Art. 10 par. (3) of the Articles of Association provides for a quorum of the Supervisory Board only if the Chairman or Vice Chairman of the Supervisory Board attend the meeting. This is to be changed by the proposal mentioned under lit a) below. For the Supervisory Board to constitute a quorum, it shall be decisive that two thirds of the members participate in the adoption of the resolution.

The amendment to the Articles of Association proposed under lit b) removes the provision according to which only the Chairman or the Vice Chairman are authorized to accept declarations on behalf of the Supervisory Board. The amendment to the Articles of Association is intended to entitle each Supervisory Board member to receive declarations on behalf of the Supervisory Board.

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The amendment to the Articles of Association proposed under c) above brings Sec. 15 para. 4 (b) of the Articles of Association into line with the current version of the German Corporate Governance Code.

The Management Board and Supervisory Board therefore propose that the following resolution be adopted:

- a) Article 10 para. 3 of the Articles of Association of the Company shall be amended as follows:

"The Supervisory Board shall constitute a quorum when two-thirds of its members of which it is required to consist, and not less than three members, participate in the adoption of the resolution."

- b) Article 12 para. 2 sentence 2 of the Company's Articles of Association shall be repealed without replacement.

- c) Article 15 para. 4 (b) of the Company's Articles of Association shall be amended as follows:

"(b) Insofar as members of the Supervisory Board take part in the training and further education measures required for their duties in accordance with the requirements of the German Corporate Governance Code, the Company shall reimburse them for the costs thereby incurred."

II.

Written report of the Management Board on Agenda Item 6 pursuant to section 203 para. 2 sentence 2 in conjunction with section 186 para. 4 sentence 2 AktG

The Management Board submits the following written report to the Annual General Meeting of the Company convened for May 19, 2021 pursuant to section 203 para. 2 sentence 2 AktG in conjunction with section 186 para. 4 sentence 2 AktG on the cancellation of Authorized Capital 2018-I and the creation of a new Authorized Capital 2021-I with the authorization to exclude subscription rights as proposed for resolution under Agenda Item 6.

1. Report on the issue of convertible bonds

On October 13, 2020, the Company resolved to issue convertible bonds in the total amount of 325,000,000.00 € with an interest coupon of 0.625 % per annum and a regular term until October

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16, 2025, based on the authorization granted by the Annual General Meeting on June 2, 2016 under Agenda Item 7. The convertible bonds were issued on October 16, 2020. The convertible bonds can be converted at a conversion price of 131.29 € per share, subject to an adjustment of the conversion price in accordance with the bond terms and conditions. The issue of the convertible bonds is based on Conditional Capital 2016-I in accordance with Article 5 para. 6b of the Company's Articles of Association. The subscription rights of the Company's shareholders to subscribe for the convertible bonds have been excluded.

Pursuant to Article 5 para. 5 of the Company's Articles of Association, shares to be issued to service convertible bonds and/or bonds with warrants whose authorization bases exist at the time the authorization pursuant to Article 5 para. 5 of the Company's Articles of Association becomes effective shall be taken into account in calculating the shares issued with exclusion of subscription rights in capital increases against cash and/or non-cash contributions, provided that convertible bonds and/or bonds with warrants have been issued with exclusion of shareholders' subscription rights. The convertible bonds were issued on October 16, 2020 excluding shareholders' subscription rights.

2. Rationale for cancellation of Authorized Capital 2018-I and creation of new Authorized Capital 2021-I

The Management Board and the Supervisory Board propose to cancel the unused Authorized Capital 2018-I, which authorizes the issuance of shares in an amount of up to 35.78 % of the current share capital, and to authorize the management to issue new shares of the Company on the basis of a new Authorized Capital 2021-I, as the authorization to exclude subscription rights when issuing new shares pursuant to Article 5 para. 5 of the Company's Articles of Association is only partially available under the existing Authorized Capital 2018-I due to the issuance of convertible bonds. In order to continue to provide the Company with the necessary flexibility to exclude subscription rights (exclusion of subscription rights shall be possible up to an amount of 10 % of the share capital), the entire Authorized Capital 2018-I of the Company shall be canceled and a new, significantly smaller Authorized Capital 2021-I shall be created, which authorizes the management of the Company to increase the Company's share capital by up to a total of 4,861,376.00 €, i.e., or only up to approximately 14.78 % of the current share capital, against cash and/or non-cash contributions until and including the date of May 18, 2026 on one or more occasions by issuing up to 4,861,376 new no-par value bearer shares. All conditional and authorized capital of the Company – also taking into account the further resolutions proposed in this connection to the Annual General Meeting on May 19, 2021 and including the amount of Authorized Capital 2021-I of up to 4,861,376.00 € and the corresponding number of up to 4,861,376 new shares – together correspond to a proportion of 50 % of the current share capital. Thus, all authorized capital of the Company (Authorized Capital 2021-II to be resolved pursuant to Agenda Item 7 of the Annual General Meeting of May 19, 2021, Authorized Capital 2021-III to be resolved pursuant to Agenda Item 8 of the Annual General Meeting of May 19, 2021, new Authorized Capital 2021-I to be resolved and the unchanged Authorized Capital 2019-I) would amount to a total of 8,624,577.00 €, which equates to 26.22%

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of the current share capital of 32,890,046.00 €. The cancellation of Authorized Capital 2018-I shall only take effect if Authorized Capital 2021-I effectively replaces it.

3. New Authorized Capital 2021-I and related benefits for the Company

The proposed authorization to issue new shares from Authorized Capital 2021-I is intended to enable the Management Board, with the consent of the Supervisory Board, to respond flexibly to financing requirements in connection with the implementation of strategic and/or operational decisions. Particularly in the current economic situation, a fast and flexible instrument for financing is necessary and in the interests of the Company and its shareholders (e.g., to enable the acquisition of interests in companies). The proposed new Authorized Capital 2021-I is intended to enable the Management Board, with the consent of the Supervisory Board, to raise new equity for the Company at short notice, also by making use of an exclusion of subscription rights, to an extent that is extended in time and reduced in volume compared with Authorized Capital 2018-I (which expires on April 30, 2023), e.g. to acquire companies, interests in companies, patents, other industrial property rights, license rights or a group of assets forming a business in return for shares, among other things. This type of advance resolution is common practice both nationally and internationally.

In order to meet these needs, the existing Authorized Capital 2018-I is to be replaced by a new Authorized Capital 2021-I. This is intended to give the Management Board the option to have shares of the Company at its disposal in a flexible manner, for a longer period than in the past but to a reduced extent, subject to the approval of the Supervisory Board and within the framework of the statutory requirements pursuant to section 202 para. 3 AktG.

4. Exclusion of subscription rights

The proposed resolution provides for an authorization to exclude shareholders' subscription rights, which generally exist when authorized capital is utilized, for certain purposes listed in detail in the proposed resolution:

- a) In the event of a cash capital increase, the exclusion of shareholders' subscription rights pursuant to subsections b) aa) and c) aa) of Agenda Item 6 is necessary in order to avoid fractional amounts – as was previously the case under Authorized Capital 2018-I. The authorization to exclude subscription rights for the utilization of fractional shares is necessary in order to be able to present a practicable subscription ratio in any case in the event of a capital increase, and therefore only serves to enable the utilization of the authorized capital with round amounts. Fractional amounts arise if, as a result of the subscription ratio or the amount of the capital increase, not all new shares can be distributed equally among the shareholders. Without this authorization, the technical implementation of the capital increase would be made more difficult in such cases. The costs of trading in subscription rights for the share fractions would be disproportionate to the benefit for the shareholders. The new shares free of subscription rights created by the

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exclusion of shareholders' subscription rights for the fractional shares will be realized either by sale on the stock exchange (if possible) or in some other way in the best possible way for the Company. The possible dilution effect is low due to the restriction to fractional shares.

- b) In the event of a capital increase against non-cash contributions, the exclusion of subscription rights in accordance with subsections b) bb) and c) bb) of Agenda Item 6 is necessary in order to achieve the objectives pursued with this capital measure, as was previously the case under Authorized Capital 2018-I. For example, the Company is to be enabled to grow further and strengthen its competitiveness through the acquisition of companies, equity interests in companies or assets (above all patents and other industrial property rights as well as licenses).

An essential part of the Company's corporate strategy is to drive forward its own development programs and add innovative technologies and new development programs to the existing corporate portfolio. For this purpose, the conclusion of partnerships, the acquisition of licenses or the acquisition of a company may be necessary. The conclusion of such partnerships or the acquisition of licensing rights, which are of particular importance to the business purpose of the Company, contribute to the value-enhancing expansion of the Company's pipeline and technology portfolio. In the past, these contributed to an increase in the stock market price of the Company's shares, which also benefited the shareholders and compensated for the exclusion of their subscription rights. In order to be able to adhere to this corporate strategy in the future, the proposed cancellation of Authorized Capital 2018-I and the creation of Authorized Capital 2021-I, provides for a longer term by comparison and is sensible (at the same time, however, the possibility of excluding subscription rights in the case of capital increases against cash and/or non-cash contributions under Authorized Capital 2021-I shall be reduced to a total of 10 % of the share capital). This will ensure, in particular, the acquisition of equity interests and industrial property rights in a way that preserves liquidity so that the Company's market position can be expanded further. Financing such an acquisition wholly or – if the authorized capital is insufficient – partially with cash is neither possible nor sensible in certain transactions, especially as the sellers or licensors frequently insist on receiving shares as consideration because of the economic advantages they can gain.

The ability to use its shares as an acquisition currency thus gives the Company the necessary scope to exploit such acquisition opportunities quickly and flexibly as they arise. The exclusion of subscription rights is necessary in these cases because acquisitions are made at short notice and generally cannot be resolved by the Annual General Meeting, which is held only once a year. It is also not generally possible to have enough time to convene an Extraordinary General Meeting due to the statutory deadlines. Instead, authorized capital is required so that with the consent of the Supervisory Board, the Management Board can act quickly.

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- c) The option to exclude subscription rights in accordance with subsections b) cc) and c) cc) of Agenda Item 6 is – as was previously the case under Authorized Capital 2018-I – intended to enable a further issue of shares in the Company on foreign stock exchanges if market conditions allow and serves the further growth of the Company. The exclusion of subscription rights is thus intended to create the option for a further listing on a foreign stock exchange. The exclusion of subscription rights ensures a reasonable placement volume and the optimal utilization of new shares. In contrast, the preservation of shareholders' subscription rights would lead to considerable technical difficulties in the placement of the new shares and prevent the best possible issue price from being achieved. Due to a financing base that is thus more broadly spread internationally, the Company could be better protected against capital market fluctuations and local changes in the cost of capital could be balanced in the best possible way. Such an international investor structure would create greater market liquidity and reduce the Company's dependence on individual investors. In the international biotechnology environment, an additional listing on a foreign stock exchange would also facilitate the acquisition of company interests through share swaps.

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash and/or non-cash contributions may not exceed 10 % of the share capital calculated either at the time the authorizations take effect or at the time they are exercised, based on whichever amount is lower. The 10 % limit shall include shares sold or issued or to be issued with exclusion of subscription rights under other authorizations expressly mentioned. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims by members of the Management Board and/or employees of the Company and/or its affiliated companies under employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

This capital limit restricts the total scope of an issue of shares from authorized and conditional capital without subscription rights and, in addition, of a sale of treasury shares excluding subscription rights. This additionally provides shareholders with protection against a dilution of their shareholding. However, shares used to service claims of

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Management Board members and/or employees of the Company and/or its affiliated companies under employee stock option programs and issued without subscription rights are not subject to deductions, as the dilutive effect for shareholders is low.

The maximum exclusion of subscription rights on the basis of Authorized Capital 2021-I is 10 % of the Company's share capital.

Having weighed all the above circumstances, the Management Board and the Supervisory Board consider the exclusion of subscription rights in the above cases to be objectively justified and appropriate for the reasons stated, also when taking into account the detrimental effects of dilution for the shareholders.

The Management Board will report to the Annual General Meeting on each utilization of Authorized Capital 2021-I.

III.

Written report of the Management Board on Agenda Item 7 pursuant to section 203 para. 2 sentence 2 in conjunction with section 186 para. 4 sentence 2 AktG

The Management Board submits the following written report to the virtual Annual General Meeting of the Company convened for May 19, 2021, pursuant to section 203 para. 2 sentence 2 AktG in conjunction with section 186 para. 4 sentence 2 AktG on the cancellation of Authorized Capital 2020-I and the creation of a new Authorized Capital 2021-II with the authorization to exclude subscription rights as proposed for resolution under Agenda Item 7.

The existing Authorized Capital 2020-I pursuant to Article 5 para. 6 of the Company's Articles of Association, which was created in accordance with the resolution of the Annual General Meeting on May 27, 2020 under Agenda Item 10, has not yet been utilized. However, it is recommended that this capital be reauthorized due to the issue of convertible bonds in October 2020, which is the reason this matter is described in more detail below.

1. Report on the issue of convertible bonds

On October 13, 2020, the Company resolved to issue convertible bonds in the total amount of 325,000,000.00 € with an interest coupon of 0.625 % per annum and a regular term until October 16, 2025, based on the authorization granted by the Annual General Meeting on June 2, 2016 under Agenda Item 7. The convertible bonds were issued on October 16, 2020 and can be converted at a conversion price of 131.29 € per share, subject to an adjustment of the conversion price in accordance with the bond terms and conditions. The issue of the convertible

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bonds is based on Conditional Capital 2016-I, in accordance with Article 5 para. 6b of the Company's Articles of Association. The subscription rights of the Company's shareholders to subscribe to the convertible bonds have been excluded.

Pursuant to Article 5 para. 6 of the Company's Articles of Association, shares to be issued to service convertible bonds and/or bonds with warrants whose authorization bases exist at the time the authorization pursuant to Article 5 para. 6 of the Company's Articles of Association takes effect, shall be taken into account in calculating the shares issued with exclusion of subscription rights in capital increases against cash contributions, provided that convertible bonds and/or bonds with warrants have been issued with exclusion of shareholders' subscription rights. The convertible bonds were issued on October 16, 2020, excluding shareholders' subscription rights.

2. Former Authorized Capital 2020-I and rationale for new Authorized Capital 2021-II

The Management Board and the Supervisory Board propose to authorize the Management Board, with the Supervisory Board's consent, to issue new shares of the Company on the basis of a new Authorized Capital 2021-II, as the authorization to exclude subscription rights when issuing new shares under the previously existing Authorized Capital 2020-I is only partially available due to the issue of convertible bonds. In order to continue to give the Company the necessary flexibility, the new Authorized Capital 2021-II is to be created, which authorizes the Management Board of the Company, with the consent of the Supervisory Board, to increase the share capital of the Company on one or more occasions until and including the date of May 18, 2026 by up to a total of 3,289,004.00 € against cash contributions by issuing up to 3,289,004 new no-par value bearer shares. All conditional and authorized capital of the Company, including the further resolutions proposed in this connection to the Annual General Meeting on May 19, 2021 and the amount of Authorized Capital 2021-II of up to 3,289,004.00 €, and the corresponding number of up to 3,289,004 new shares, together correspond to a proportion of 50 % of the current share capital.

3. New Authorized Capital 2021-II and related advantages for the Company

The proposed authorization to issue new shares from Authorized Capital 2021-II is intended to enable the Management Board, with the Supervisory Board's consent, to respond flexibly to financing requirements in connection with the implementation of strategic decisions. Particularly in the current economic situation and in the capital-intensive field of biotechnology and drug development, a fast and flexible instrument for financing is necessary and in the interest of the Company and its shareholders. It shall continue to be possible for the Management Board, with the Supervisory Board's consent, to raise new equity for the Company at any time. Such an advance resolution is common practice both nationally and internationally.

To address these needs, a new Authorized Capital 2021-II shall be created. The scope of the existing Authorized Capital 2020-I is no longer sufficient for this purpose. The new Authorized

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Capital 2021-II is intended to continue to enable the Management Board, with the Supervisory Board's consent and within the framework of the statutory requirements under section 202 para. 3 AktG, to have shares of the Company at its disposal in a flexible manner.

4. Exclusion of subscription rights

The proposed resolution provides for an authorization to exclude shareholders' subscription rights, which generally exist when authorized capital is utilized, for certain purposes listed in detail in the proposed resolution:

- a) The exclusion of shareholders' subscription rights is possible in accordance with subsection a) aa) of Agenda Item 7 in order to avoid fractional amounts. The authorization to exclude subscription rights for the utilization of fractional shares is necessary in order to be able to present a practicable subscription ratio in all cases in the event of a capital increase and therefore only serves to enable the utilization of the authorized capital in rounded numbers. Fractional amounts arise when the subscription ratio or the amount of the capital increase does not allow for all new shares to be distributed equally among the shareholders. Without this authorization, the technical implementation of the capital increase would be made more difficult in such cases. The costs of trading in subscription rights for the share fractions would be disproportionate to the benefit for the shareholders. The new shares free of subscription rights that result from the exclusion of shareholders' subscription rights for the fractional shares will be sold on the stock exchange (if possible) or in some other manner that is best for the Company. The possible dilution effect is low due to the restriction to fractional shares.
- b) In addition, with the consent of the Supervisory Board, the Management Board shall be authorized, pursuant to a) bb) of Agenda Item 7, to exclude subscription rights in accordance with section 186 para. 3 sentence 4 AktG in the amount of the entire new Authorized Capital 2021-II, provided the issue price of the new shares is not significantly lower than the market price of shares of the same class already listed. This exclusion of subscription rights provided for by law enables the management to take advantage of favorable stock market situations at short notice and, by setting the price close to the market price, to achieve the highest possible issue price and thus the greatest possible strengthening of the Company's equity. Experience has shown that such a capital increase leads to a higher inflow of funds than a comparable capital increase with shareholder subscription rights because faster action can be taken. It is therefore in the well-understood interests of the Company and the shareholders. This however results in a reduction in the relative participation quota and the relative share of voting rights of the existing shareholders. Shareholders wishing to maintain their relative shareholding and relative voting rights have the option of acquiring the necessary number of shares on the stock exchange. The amount of the new Authorized Capital 2021-I complies with the statutory requirements of section 186 para. 3 sentence 4 AktG, according to which the exclusion of subscription rights is permissible if the capital increase against cash

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contributions does not exceed 10 % of the share capital, either at the time this authorization takes effect or at the time it is exercised, and the issue price is not significantly lower than the stock market price. Other capital measures which also provide for the exclusion of subscription rights in accordance with or by mutatis mutandis application of section 186 para. 3 sentence 4 AktG shall be taken into account unless the Annual General Meeting again resolves a new authorization to exclude shareholders' subscription rights in accordance with section 186 para. 3 sentence 4 AktG.

The total number of shares issued on the basis of the above authorizations with the exclusion of shareholder subscription rights for capital increases against cash contributions and including the deductions listed below, may not exceed 10 % of the share capital calculated either at the time these authorizations take effect or at the time they are exercised, based on whichever amount is lower. The 10 % limit shall include shares sold or issued or to be issued with exclusion of subscription rights under other authorizations expressly mentioned. The aforementioned 10 % limit shall include (i) treasury shares sold with the exclusion of subscription rights after these authorizations become effective, (ii) shares issued on the basis of other authorized capital with the exclusion of subscription rights during the period in which these authorizations are in effect, and (iii) shares to be issued to service convertible bonds and/or bonds with warrants, insofar as the convertible bonds and/or bonds with warrants have been issued with the exclusion of shareholders' subscription rights while these authorizations are in effect but in respect of items (i), (ii) and/or (iii) in each case only insofar as the shares are not used to service claims by members of the Management Board and/or employees under employee participation programs.

The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect in accordance with section 186 para. 3 sentence 4 AktG after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

This capital limit restricts the total scope of an issue of shares from authorized and conditional capital without subscription rights and, in addition, of a sale of treasury shares excluding subscription rights. This additionally provides shareholders with protection against a dilution of their shareholding. However, shares used to service claims of board members and/or employees of the Company and/or its affiliated companies under employee participation programs and issued without subscription rights are not subject to deductions, as the dilutive effect for shareholders is low.

The maximum exclusion of subscription rights on the basis of Authorized Capital 2021-II is 10% of the Company's share capital.

Having weighed all the above circumstances, the Management Board and the Supervisory Board consider the exclusion of subscription rights in the above cases to be objectively justified

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and appropriate for the reasons stated, also when taking into account the detrimental effects of dilution for the shareholders.

The Management Board will report to the Annual General Meeting on each utilization of Authorized Capital 2021-II.

IV.

Written report of the Management Board on agenda item 8 pursuant to section 203 para. 1 sentence 1 in conjunction with section 186 para. 4 sentence 2 AktG

(Resolution on the creation of an Authorized Capital 2021-III under exclusion of subscription rights for the purpose of serving “Restricted Stock Units” to be issued to senior managers and employees of MorphoSys US Inc. under the “Restricted Stock Unit Program 2021” of the Company; amendment to the Articles of Association)

Under agenda item 8, the Management Board and the Supervisory Board propose to the general meeting on May 19, 2021 to create a new authorized capital (Authorized Capital 2021-III). Pursuant to section 203 para. 1 sentence 1 in conjunction with section 186 para. 4 sentence 2 AktG, the Management Board provides the following report on agenda item 8 to the general meeting on the reason for the exclusion of subscription rights of the shareholders when issuing new shares from the Authorized Capital 2021-III:

1. Background on the proposal for the creation of a new Authorized Capital 2021-III

In July 2018, MorphoSys AG founded a 100 % subsidiary in the USA, MorphoSys US Inc. MorphoSys US Inc. has since served as our Company’s strong local presence in the U.S., particularly currently for the purpose of a sustained, successful market introduction and strong placement of the MorphoSys-developed medicament Monjuvi®. In July of last year, the U.S. Food and Drug Administration (FDA) approved Monjuvi® (tafasitamab-cxix) in combination with Lenalidomide for the treatment of adult patients with relapsed or refractory diffuse large b-cell lymphoma (DLBCL).

An attractive and competitive remuneration program is essential for the recruitment and long-term commitment of highly qualified employees. In particular, with a view to MorphoSys US Inc., a share-based employee participation program is required, which takes into account US standards and expectations. For this purpose, the Management Board, with the approval of the Supervisory Board, has already implemented a "Restricted Stock Unit Program" in 2019, based on the resolutions of the Annual General Meeting of May 22, 2019, as a long-term, share-based

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compensation element for executives and employees of MorphoSys US Inc. Under the Restricted Stock Unit Program from 2019, so-called “Restricted Stock Units” can be issued for the last time in April 2021. Against this background, the Management Board intends, with the consent of the Supervisory Board, to resolve on a further Restricted Stock Unit Program to function as a long-term, share-based remuneration component for senior managers and employees (including directors and officers) of MorphoSys US Inc. (the “**RSUP 2021**” or “**Restricted Stock Unit Program 2021**”).

The RSUP 2021 is intended to be substantially similar to the Restricted Stock Unit Program dating from 2019, which is already in place at MorphoSys US Inc. Accordingly, also pursuant to the planned RSUP 2021, the Company shall be allowed to grant so-called “Restricted Stock Units” (“**RSUs**”) to beneficiaries, which – if certain requirements are met – grant the beneficiaries a claim against the Company for a cash payment, depending on the stock exchange price of the shares of the Company (further details are given below under no. 2 of this report). However, the terms and conditions of the RSUP 2021 shall give the Company the right to fulfill the cash payment claims of the RSU beneficiaries by delivering shares of the Company. In order for the Company to be able to issue new shares in such case, and to fulfill the payment claims of the respective beneficiaries under the RSUP 2021 when due, the Authorized Capital 2021-III shall be created.

The Authorized Capital 2019-I, which was created by resolution of the Annual General Meeting on May 22, 2019, is required to service entitlements under the Restricted Stock Unit Program from 2019. In addition, the statutory maximum duration of an authorized capital of five years (here: of the Authorized Capital 2019-I) requires the Annual General Meeting to reissue a corresponding authorization after the expiry of two years: Since Restricted Stock Units are issued to beneficiaries under the Restricted Stock Unit Program 2019 in tranches with a term of three years each, the last time that Restricted Stock Units can be serviced under this program until the expiry of the Authorized Capital 2019-I on April 30, 2024 are Restricted Stock Units issued or to be issued in 2021.

2. Key aspects of the planned RSUP 2021

It is currently planned to implement the RSUP 2021 as follows:

a. Granting of RSUs to beneficiaries

Under the RSUP 2021, only the Employees will be eligible for participation, to the extent they are not at the same time members of the Management Board or employees of MorphoSys AG. Each tranche of the RSUP 2021 has a term of three years. The Company may, at the beginning of a tranche, grant a certain number of RSUs to beneficiaries. In this context, the basis for calculation shall be an individual award amount for each beneficiary as well as the stock exchange price of the MorphoSys share. To calculate the exact number of RSUs, the respective individual award amount is divided by the average

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Xetra closing price of the MorphoSys share on the regulated market of the Frankfurt Stock Exchange on the last 30 trading days before the grant date.

b. Vesting and key performance indicators

In order for a cash payment claim to arise against the Company from the granted RSUs, it is necessary that the RSUs have become partially or fully exercisable at the end of the respective tranche. For this purpose, each tranche will be divided into three annual cycles. One third of the granted RSUs may vest at the end of each annual cycle, subject to the achievement of certain key performance indicators (“**KPIs**”). The relevant KPIs will be determined by the Board of Directors of MorphoSys US Inc. with the consent of the Management Board. With respect to the KPIs, the revenue of MorphoSys US Inc. shall be weighted at 40 %, the contribution margin shall be weighted at 20 % and the development of the stock exchange price of the MorphoSys share shall equally be weighted at 40 %. The percentage resulting from the KPI achievement (“**KPI Achievement Rate**”) will be applied to the relevant one-third portion of RSUs granted to a beneficiary, whereby, however, a minimum hurdle of 50 % must be achieved and a cap of 175 % exists. The result shall be the number of RSUs that vests, for the relevant annual cycle, at the end of such annual cycle.

Example (1):

A beneficiary was granted 300 RSUs at the beginning of a tranche. During the first annual cycle, a KPI Achievement Rate of 80 % was achieved, during the second annual cycle a KPI Achievement Rate of 40 % was achieved, and during the third annual cycle a KPI Achievement Rate of 175 % (Cap) was achieved. Accordingly, at the end of the first annual cycle, 80 RSUs have vested ($1/3$ of the 300 granted RSUs x 80 %), at the end of the second annual cycle 0 RSUs have vested (since the minimum hurdle of 50 % was not achieved) and at the end of the third annual cycle 175 RSUs have vested ($1/3$ of the 300 granted RSUs x 175 %), thus in total 255 RSUs ($80 + 0 + 175$).

The vesting of RSUs for a certain annual cycle (at the end of such cycle) is conditional on the beneficiary still having a service or employment relationship with MorphoSys US Inc. at the end of the relevant annual cycle. If the beneficiary leaves MorphoSys US Inc. during the term of a tranche, such beneficiary will retain the RSUs that have vested until the point in time of leaving, unless the beneficiary qualifies as a so-called “bad leaver” due to him leaving for cause, but the beneficiary rather qualifies as a so-called “good leaver”. The additional RSUs that were granted to such beneficiary will not continue to vest, rather they are forfeited without compensation. No partial vesting will take place within an annual cycle of a tranche.

Example (2):

If the beneficiary in example (1) above leaves MorphoSys US Inc. as a “good leaver” during the second annual cycle, such beneficiary will retain the 80 RSUs vested at the end of the first annual cycle, however, the remaining 200 RSUs granted to such beneficiary will forfeit without compensation. No further vesting will occur at the end of the second and the third annual cycle.

c. Cash payment claim and the option to fulfill in shares

The RSUs that have vested during the three annual cycles of a tranche will become exercisable at the end of the tranche – i.e. after the end of the third annual cycle. The total number of RSUs that have vested during a tranche determines the respective amount of the cash payment claim of the beneficiary against the Company. The amount of the cash claim resulting from one vested RSU corresponds to the relevant stock exchange price of one MorphoSys share immediately prior to the payout. The cash payment claim of a beneficiary against the Company is thus determined by multiplying the total number of vested RSUs with the relevant stock exchange price of one MorphoSys share immediately prior to the payout. A payout of the respective cash amount shall only be made for all vested RSUs after the expiry of the three-year term of a tranche. In particular, this shall also apply to cases where a beneficiary leaves MorphoSys US Inc. as a “good leaver” during the term of a tranche: The cash payment amount of such leaver, dependent on the number of vested RSUs, only becomes due and payable after the expiry of the third annual cycle (in example (2) above: 80 RSUs, multiplied by the relevant stock exchange price immediately prior to the payout).

The terms and conditions of the RSUP 2021 shall give the Company the right to opt, in its full discretion, whether to fulfill the cash payment claims from the beneficiaries’ vested RSUs by delivering shares of the Company. In order to give the Company the required flexibility to grant new shares, the Authorized Capital 2021-III shall be created (as laid out in detail under no. 3 of this report). In this regard, the stock exchange price of one MorphoSys share immediately prior to the utilization of the Authorized Capital 2021-III by the Management Board, with the consent of the Supervisory Board, shall be relevant, such that one vested RSU corresponds to one new share.

A short presentation giving an overview of the currently planned terms and conditions of the RSUP 2021 is available on the internet under www.morphosys.com/agm, providing some non-binding background information; the presentation is not part of this invitation to the general meeting.

3. Authorized Capital 2021-III

The registered share capital of the Company currently amounts to 32,890,046.00 €. Under the Authorized Capital 2021-III, the Management Board shall be authorized, with the consent of the

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Supervisory Board, until 18 May 2026 (including), to increase the Company's registered share capital by up to 315,000.00 € against cash contributions and/or contributions in kind once or several times by issuing up to 315,000 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien*), i.e. by approximately 0.96 % of the current registered share capital. All future conditional and authorized capitals of the Company, also taking into account the further resolutions proposed to the Annual General Meeting on May 19, 2021 and including the amount of this Authorized Capital 2021-III of up to 315,000.00 €, and the respective number of up to 315,000 new shares, together corresponds to a proportion of 50 % of the current share capital. The total volume of all authorized capitals, also taking into account the further resolutions proposed to the Annual General Meeting on May 19, 2021 in this connection, would amount to 8,624,577.00 €, i.e. approximately 26.22 % of the current registered share capital. Adding together all conditional and authorized capital under which new shares can be issued in connection with employee incentive programs would result in a total volume of up to 2,530,202.00 € and accordingly a total number of up to 2.530,202 new shares, i.e. around 7.69% of the current share capital.

To increase the flexibility of the Company and preserve its liquidity, the Company shall be given the possibility, through the creation of the Authorized Capital 2021-III, to fulfill the cash payment claims of beneficiaries whose RSUs have fully vested under the RSUP 2021 by delivering new shares. Namely, pursuant to the terms and conditions of the RSUP 2021, the Company shall be authorized to opt, in its full discretion, to fulfill the cash payment claims by delivering shares. The fulfillment of the cash payment claims by delivering shares instead of paying a cash amount has the advantage that no cash outflow will occur and that the Company will continue to have the respective liquidity at its disposal. In the view of the Management Board, the available liquidity should primarily be invested into existing and future research and development programs, as well as into the further setup and expansion of the distribution organization.

4. Exclusion of subscription rights and issue price

Under the Authorized Capital 2021-III, the subscription rights of shareholders shall be excluded in accordance with section 203 para. 1 sentence 1 in conjunction with section 186 paras. 3, 4 AktG. The background is that the Authorized Capital 2021-III shall serve the sole purpose of delivering shares of the Company against the contribution of payment claims resulting from RSUs in order to fulfill RSUs that were granted to Employees under the RSUP 2021. Shares issued from the Authorized Capital 2021-III may solely be issued for this purpose; the issuance of shares for any other purpose – or to other beneficiaries – is not permitted.

The issue price of the new shares from the Authorized Capital 2021-III must amount to at least 1,00 € and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP 2021. Furthermore, the amount of a cash claim resulting from one fully vested RSU corresponds to the stock exchange price of one MorphoSys share immediately prior to the payout. The Management Board shall be authorized to determine the further details of the capital increase and its

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implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may be determined in deviation from section 60 para. 2 AktG, also for the profit of an already completed fiscal year.

A potential dilution of voting rights of the shareholders whose subscription rights are excluded is limited, amongst others, due to the small size of the Authorized Capital 2021-III. Taking into consideration all relevant factors, the Management Board and the Supervisory Board conclude that the exclusion of subscription rights under the respective limitations is appropriate, necessary and adequate and lies in the best interest of the Company.

5. Utilization of the Authorized Capital 2021-III

The Management Board will report to the Annual General Meeting on each utilization of Authorized Capital 2021-III.

V.

Written report of the Management Board on Agenda Item 10 in accordance with section 221 para. 4 sentence 2 in conjunction with section 186 para. 4 sentence 2 AktG

By resolution of the Annual General Meeting on June 2, 2016, Conditional Capital 2016-I in the amount of 5,307,536.00 € was created in accordance with Article 5 para. 6b of the Company's Articles of Association. The related authorization to issue bonds with conversion or warrant rights to shares in the Company expires on April 30, 2021. In order to maintain the Company's statutory options for raising capital in the future, a new authorization to issue bonds with conversion or warrant rights to shares in the Company and a new Conditional Capital 2021-I are to be created.

1. Report on the issue of convertible bonds

The Company issued bonds on October 16, 2020 based on the authorization granted by the Annual General Meeting on June 2, 2016.

Specifically, on October 13, 2020, the Company resolved to issue convertible bonds in the total amount of 325,000,000.00 € with an interest coupon of 0.625 % per annum and a regular term until October 16, 2025, based on the authorization granted by the Annual General Meeting on June 2, 2016 under Agenda Item 7. The convertible bonds were issued on October 16, 2020. The convertible bonds can be converted at a conversion price of 131.29 € per share, subject to an adjustment of the conversion price in accordance with the bond terms and conditions. The issue of the convertible bonds is based on Conditional Capital 2016-I in accordance with Article 5 para. 6b of the Company's Articles of Association. The subscription rights of the Company's shareholders to subscribe for the convertible bonds have been excluded.

2. Creation of new Conditional Capital 2021-I and authorization to issue convertible bonds or bonds with warrants and related benefits for the Company

The proposed creation of new Conditional Capital 2021-I and the authorization to issue convertible bonds and bonds with warrants (collectively "**bonds**") is intended to facilitate the issue of bonds on as favorable terms as possible and in the Company's interest while fully meeting the requirements of the capital markets. This will ensure the Company's sufficient capitalization, which is essential for its business development in the cost-intensive field of biotechnology. By issuing bonds, the Company is able to take advantage of attractive financing opportunities to raise debt capital at favorable interest rates, depending on the market situation. The granting of conversion or warrant rights or conversion obligations provides the Company with the additional opportunity of retaining part of the funds raised by issuing bonds as equity. The proposed authorization provides for the issue of bonds with conversion or warrant rights or conversion obligations to shares in MorphoSys AG, with the consent of the Supervisory Board, in an amount of up to 650 million €.

In the area of these so-called hybrid financing instruments, financing forms that also provide for an unlimited term are now common. The authorization therefore provides for the possibility of issuing bonds that do not contain a maturity limit. The authorization also gives the Company the necessary flexibility to place the bonds itself or via direct or indirect majority shareholdings. Bonds may also be issued in currencies other than the euro.

The authorization is limited until and including the date of May 18, 2026. A new Conditional Capital 2021-I is to be created for the shares that may be issued to fulfill this authorization. The further details of the bonds are to be determined in each case by the Management Board with the consent of the Supervisory Board.

The authorization to issue bonds granted by the Annual General Meeting on June 2, 2016 expires on April 30, 2021. The previous Conditional Capital 2016-I provided for this expired authorization can therefore be partially canceled to the extent that it is not still used to service convertible bonds issued on October 16, 2020.

The notional interest in the share capital represented by the new shares to be subscribed for per bond may not exceed the nominal amount of the respective bond or an issue price of the respective bond that is lower than the nominal amount.

The conversion or warrant price for one share to be set in each case or to be determined within a range to be specified on the basis of future stock exchange prices must correspond to at least 80 % of the average of the closing prices on the five Xetra trading days prior to the decision of the Management Board to issue the bond. If shareholders are granted a subscription right to the bond and this subscription right is traded on the Frankfurt Stock Exchange, the closing prices of the MorphoSys AG share on the days of subscription rights trading, with the exception of the

last two trading days of subscription rights trading, shall be used to determine the average closing price. Sections 9 para. 1 and 199 para. 2 AktG remain unaffected.

3. Exclusion of subscription rights

In principle, the shareholders of the Company have a subscription right to newly issued bonds in a number corresponding to their respective previous participation in the share capital of the Company. In this context, the bonds are generally to be underwritten by at least one credit institution or at least one company operating in accordance with section 53 para. 1 sentence 1 or section 53b para. 1 sentence 1 or para. 7 KWG with the obligation to offer them to the shareholders for subscription. This serves to facilitate settlement and is not to be regarded as an exclusion of subscription rights, as shareholders are granted an indirect subscription right to the bonds.

The proposed resolution provides for an authorization to exclude this subscription right, which generally exists when bonds are issued, for certain purposes specified in detail in the proposed resolution in accordance with the relevant statutory provisions. In the view of the Management Board and the Supervisory Board, this authorization to exclude shareholders' subscription rights is objectively justified, taking into account all the circumstances, for the reasons explained below and is appropriate for the shareholders.

- a) Above all, the Management Board and Supervisory Board are to be authorized to issue bonds excluding shareholders' subscription rights, provided that the new shares to be issued on the basis of the conversion or warrant rights do not exceed a total of 10 % of the Company's share capital, either at the time this authorization takes effect or at the time it is exercised. This allows the Company to take advantage of favorable stock market situations at short notice and to achieve the best possible terms for the bond issue by setting the conditions close to the market.

This is not possible if the subscription right is maintained because the length of the subscription period restricts the ability to respond to market conditions at short notice. Uncertainty about the exercise of subscription rights may also impair the successful placement of the bonds with third parties. In addition, in the case of rights issues, a not inconsiderable security discount is generally required in order to ensure the attractiveness of the issue. Furthermore, the exclusion of subscription rights provides the Company with the opportunity to further broaden its shareholder base to include international investors.

The legal basis for this exclusion of subscription rights is provided by sections 221 para. 4 sentence 2 and 186 para. 3 sentence 4 AktG. The purpose of these standards is to protect shareholders from an unacceptable dilution of their shareholdings. Whether such a dilution effect occurs can be calculated. The hypothetical stock market price of the bond can be determined using the Black/Scholes model or other recognized financial mathematical methods, which then also determines any dilution effect by comparison with

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the issue price. According to the authorization, the issue price may not be significantly lower than the theoretical market value calculated using recognized financial mathematical methods. This means that the calculated market value of a subscription right will be virtually zero, so that shareholders cannot suffer any significant economic disadvantage as a result of the exclusion of subscription rights. This also safeguards the interests of the shareholders. Shareholders also have the opportunity to maintain their share in the Company's share capital at approximately the same conditions by purchasing shares on the stock exchange. In this way, their pecuniary interests are adequately taken into account. Nothing therefore applies other than in the case of a capital increase with exclusion of subscription rights pursuant to section 186 para. 3 sentence 4 AktG.

When setting the price, the Management Board and Supervisory Board will keep the discount to the market value as low as possible while taking the respective capital market environment into account and guarantee protection against dilution. In doing so, the Management Board will seek expert advice and, if necessary, use the support of experts. Such support may be received by obtaining an expert opinion from an investment bank or auditing firm on the question of dilution.

In the interest of shareholders in minimizing dilution, the Management Board and Supervisory Board will include the following shares in the limit of 10 % of the share capital provided for in the authorization:

- shares issued during the term of this authorization, excluding shareholders' subscription rights, in accordance with or by mutatis mutandis application of section 186 para. 3 sentence 4 AktG and
- shares issued or to be issued to service bonds with conversion or warrant rights on the basis of other authorizations, insofar as and to the extent that the bonds are issued excluding shareholders' subscription rights during the term of these authorizations in mutatis mutandis application of section 186 para. 3 sentence 4 AktG.

The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect in accordance with section 186 para. 3 sentence 4 AktG after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of this subsection.

- b) The proposed authorization to exclude subscription rights for the utilization of fractional amounts makes it possible to present a practicable subscription ratio. Otherwise, particularly in the case of the issue of bonds with round amounts, the handling of the capital measure would be more difficult. Fractional amounts arise if, as a result of the

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subscription ratio and the amount of the issue, not all new bonds can be issued equally to the shareholders. The costs of trading subscription rights for fractional amounts are disproportionate to the benefit to shareholders. The bonds free of subscription rights created by the exclusion of subscription rights for fractional amounts will be realized in the best possible way for the Company by sale on the stock exchange (if possible) or in some other way. The possible dilution effect is low due to the restriction to fractional amounts.

- c) The authorization to exclude subscription rights in favor of the holders of conversion or warrant rights serves the purpose of not having to reduce the warrant or conversion price for the warrant and conversion rights already issued or to make an additional cash payment. Instead, it should be possible to grant the holders of such rights a subscription right to the new bonds to the extent to which they would be entitled after exercising their rights in order to ensure their protection against dilution. It is common practice to provide bonds with such protection against dilution.

The authorizations to exclude subscription rights contained in the above paragraphs are limited to a total amount that does not exceed 10 % of the share capital calculated either at the time this authorization takes effect or at the time this authorization is exercised, based on whichever amount is lower. The aforementioned 10 % limit shall include treasury shares sold with the exclusion of subscription rights during the term of this authorization and shares issued with the exclusion of subscription rights during the term of this authorization, provided that these shares do not serve to service claims of board members and/or employees of the Company and/or its affiliated companies from employee participation programs. Furthermore, the limit shall include shares to be issued to service convertible bonds and/or bonds with warrants if these convertible bonds and/or bonds with warrants were issued on the basis of another authorization pursuant to section 221 para. 2 AktG during the term of this authorization under exclusion of subscription rights, insofar as the shares also do not serve to service claims of board members and/or employees of the Company and/or its affiliated companies from employee participation programs. The maximum limit reduced in accordance with the above sentences of this paragraph shall be increased again when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting takes effect after the reduction, in the amount of the new authorization, up to a maximum of 10 % of the share capital in accordance with the requirements of sentence 1 of this paragraph.

All conditional and authorized capital of the Company, also taking into account the further resolutions proposed in this context to the Annual General Meeting on May 19, 2021 and including the amount of Authorized Capital 2021-I of up to 4,861,376.00 €, and the corresponding number of up to 4,861,376 new shares, together correspond to a proportion of 50 % of the current share capital.

Conditional Capital 2021-I is required to service the conversion or warrant rights associated with the bonds. The amount of Conditional Capital 2021-I, also in conjunction with the other

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conditional capital of the Company which continues to exist, does not exceed the statutory maximum limits pursuant to section 192 para. 3 sentence 1 AktG.

The conversion or warrant price for a new share shall be determined by the Management Board with the consent of the Supervisory Board, taking into account the market conditions at the time the bonds are issued, and may not be set below 80 % of the reference price defined in the authorization (see above, Agenda Item 10 a)).

4. Utilization of Conditional Capital 2021-I

The Management Board will report to the Annual General Meeting on each utilization of Conditional Capital 2021-I.

VI.

Remuneration system for the members of the Management Board of MorphoSys AG

The Supervisory Board of MorphoSys AG has further developed the current remuneration system for the members of the Management Board and has adapted it to the new requirements of ARUG II and the German Corporate Governance Code ("**GCGC**") as amended on December 16, 2019. In particular, the Supervisory Board has made the following changes:

- The existing performance targets for the annual bonus and for the Performance Share Unit Program were amended by the criteria "Environmental, Social, Governance" ("**ESG**"), in order to reward sustainable corporate governance.
- Future service agreements of members of the Management Board to be newly concluded or extended, as well as future terms and conditions of the Stock Option Plan and the Performance Share Unit Program, will contain so-called *malus* and *clawback* provisions entitling the Company in particular to retain or reclaim all or part of the variable remuneration in the event of a breach of internal conduct policies or statutory duties by the respective member of the Management Board.
- The Stock Option Plan will provide for a maximum limit of 250 % of the respective grant amount for payments under the Stock Option Plan in the future (cap). Payments under the Company's Performance Share Unit Program are already limited to 250 % of the grant amount.

A. Basic principles of the remuneration system for the members of the Management Board of MorphoSys AG

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The remuneration system for the members of the Management Board significantly contributes to the promotion of the business strategy and the long-term development of MorphoSys AG. By structuring the variable remuneration as fixed remuneration on the one hand and short-term variable (Short-Term Incentive, STI) and long-term variable (Long-Term Incentive, LTI) remuneration on the other hand, the remuneration system creates an incentive for results-oriented and sustainable corporate management. The remuneration of the members of the Management Board is based on the performance of the Management Board as a whole, the contribution of the individual members of the Management Board to the promotion of the Company's goals, and the business success of MorphoSys AG. The amount of the long-term variable remuneration of the members of the Management Board depends, amongst others, on the development of the share price of the share of MorphoSys AG, thereby linking the interests of the members of the Management Board with those of the shareholders. The fixed integration of non-financial and, in particular, ESG objectives into the remuneration structure also incentivizes sustainable and future-oriented action and aims to create value for all employees and shareholders of MorphoSys AG as well as for society.

In designing the remuneration system, the Supervisory Board was guided in particular by the following principles:

-  Promotion of the **implementation of the long-term business strategy** of MorphoSys AG
-  Incentivation of the **long-term and sustainable development** of MorphoSys AG and the MorphoSys-Group
-  Ensuring an **appropriate remuneration** of the members of the Management Board, which is both **in line with customary market practice and competitive**
-  **Appropriate consideration and honoring of the performance** of the members of the Management Board ("pay for performance")
-  Consideration of **sustainability or Environment-Social-Governance (ESG) aspects** to ensure socially responsible and future-oriented action

The remuneration system for the members of the Management Board of MorphoSys AG is designed in a clear and comprehensible manner. It complies with the requirements of the new section 87a AktG and the recommendations of the GCGC, provided that no deviation from these recommendations is declared. The Supervisory Board's objective is to offer the members of the Management Board, within this regulatory framework and in compliance with the above principles for the design of the remuneration system, a remuneration package that is both in line with the market and competitive, while at the same time retaining sufficient flexibility to be able to react to structural changes and varying market conditions.

B. Process for determining, implementing and reviewing the remuneration system

The remuneration system for the Management Board of MorphoSys AG is determined by the Supervisory Board in accordance with section 87a para. 1 sentence 1 AktG. The Supervisory Board

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is hereby supported by its Remuneration and Nomination Committee. The Remuneration and Nomination Committee develops a system for the remuneration of the members of the Management Board, based on the principles outlined in section A. above, the legal requirements and the requirements of the GCGC as amended from time to time, and submits this system to the full Supervisory Board for discussion and resolution.

The Supervisory Board and its Remuneration and Nomination Committee may, if necessary, consult an external remuneration expert to develop the remuneration system and assess the appropriateness of the remuneration. The remuneration expert will be rotated from time to time. When consulting an external remuneration expert, the Supervisory Board ensures his independence from the Management Board and the Company. In the past, the Supervisory Board has regularly consulted an external remuneration expert for the assessment of the appropriateness of the remuneration and has ensured compliance with the above principles.

The remuneration system is regularly reviewed by the Supervisory Board, supported by its Remuneration and Nomination Committee.

The remuneration system is submitted to the General Meeting for approval in case of any material change, but at least every four years. If the General Meeting does not approve the proposed remuneration system, a reviewed remuneration system will be submitted for approval at the latest at the following Annual General Meeting.

Throughout the entire process of determining, implementing and reviewing the remuneration system, the requirements of the AktG and the Supervisory Board's rules of procedure, as well as the recommendations of the GCGC regarding the avoidance and handling of conflicts of interest, are complied with.

The remuneration system applies to all service agreements to be concluded or extended from June 1, 2021, onwards. For existing service agreements, the previous remuneration structure will continue to apply unchanged in accordance with the requirements of section 26j para. 1 of the Introductory Act to the German Stock Corporation Act ("**EGAktG**") and the rationale of the GCGC.

C. Remuneration structure

On the basis of the remuneration system, the Supervisory Board determines the amount of the target total remuneration for the individual members of the Management Board for the upcoming financial year. The target total remuneration comprises the sum of all fixed and variable remuneration components for one year in the event of 100 % target achievement. The target total remuneration to be determined for each member of the Management Board is set in an adequate proportion to the responsibilities and performance of the respective member of the Management Board and the situation

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of the Company. In addition, the Supervisory Board ensures that the target total remuneration is appropriate and in line with market practice.

1. Horizontal comparison

MorphoSys AG follows a market-oriented remuneration philosophy. In order to assess whether the remuneration of the individual members of the Management Board is in line with customary market practice, the Supervisory Board, in a first step, makes a horizontal comparison with the remuneration paid to the members of the Management Board of a group of comparable companies to be determined by the Supervisory Board, taking into account in particular the market position of MorphoSys AG (including market capitalization, industry, size and country) and the overall economic situation of MorphoSys AG. In order to take into account the better comparability of MorphoSys AG with companies in the European and U.S. market (in particular due to the specific business model of MorphoSys AG and the international recruitment and composition of the members of the Management Board of MorphoSys AG), the Supervisory Board initially considers (industry-specific) listed European and U.S. companies in the composition of the peer group. Furthermore, the Supervisory Board also considers German listed companies, in particular companies included in the TecDax and the MDax, within the scope of the horizontal comparison. The Supervisory Board may also consider other listed companies of comparable size in Germany and abroad, in particular in Europe.

2. Vertical comparison

In addition, the Supervisory Board considers the level of remuneration of the members of the Management Board in relation to the remuneration structure within the MorphoSys-Group, based on the annual base salary of the members of the Management Board as well as the variable remuneration in the case of (assumed) 100 % target achievement. In this vertical comparison, the Supervisory Board considers the average remuneration of the first two management levels below the Management Board of MorphoSys AG, consisting of the line managers reporting directly to the Management Board (first reporting line) as well as the line managers reporting directly to the first reporting line (second reporting line). Furthermore, the Supervisory Board also takes into account the average remuneration of the total workforce of the MorphoSys Group over time.

In the event of significant shifts in the relation between the remuneration of the members of the Management Board of MorphoSys AG and the remuneration of the vertical peer groups, the Supervisory Board examines the causes for the shift.

3. Differentiation according to different requirements for the Management Board positions

When determining the target total remuneration of the individual members of the Management Board, the Supervisory Board may differentiate in view of different requirements of the respective Management Board function, market conditions or qualification and experience of the members of the Management Board. When determining the target total remuneration, the Supervisory Board may therefore, in particular, make differentiations depending on the function of the members of the Management Board (CEO or ordinary board member), the responsibility within the Management Board

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or the experience or term of membership in the Management Board, and may also take into account that a higher remuneration may be customary in the market at competitors of the MorphoSys-Group abroad.

4. Components and structure of the target total remuneration

The remuneration system for the members of the Management Board consists of fixed, non-performance-related and variable, performance-related remuneration components, the sum of which determines the target total remuneration of the individual members of the Management Board.

The fixed, non-performance-related remuneration consists of a fixed base salary and fringe benefits, which may vary in amount depending on the occasion and the member of the Management Board. In addition, the Company makes payments to the members of the Management Board which are to be used by the members of the Management Board for their individual retirement provisions. In addition, all members of the Management Board participate in a pension plan.

The variable, performance-related remuneration consists of a short-term variable remuneration component in the form of an annual bonus and a long-term variable remuneration component in the form of a so-called Performance Share Unit Program. In addition, the Supervisory Board also has the option of granting variable remuneration under a Stock Option Plan to the members of the Management Board. The Supervisory Board determines the ratio of the two programs on an annual basis.

5. Composition of the target total remuneration

The remuneration system for the members of the Management Board allows the Supervisory Board to differentiate in the determination of the target total remuneration depending on the function of the respective member of the Management Board. In addition, the Supervisory Board can adjust individual remuneration components in the context of the annual review of the remuneration of the members of the Management Board, taking into account customary market practice and appropriateness. Against this background, the shares of the individual remuneration components within the target total remuneration are presented in percentage ranges. When calculating the target total remuneration for a financial year, the Supervisory Board also takes into account any group remuneration of individual members of the Management Board.

The target total remuneration for all members of the Management Board (CEO and ordinary board members) is as follows:

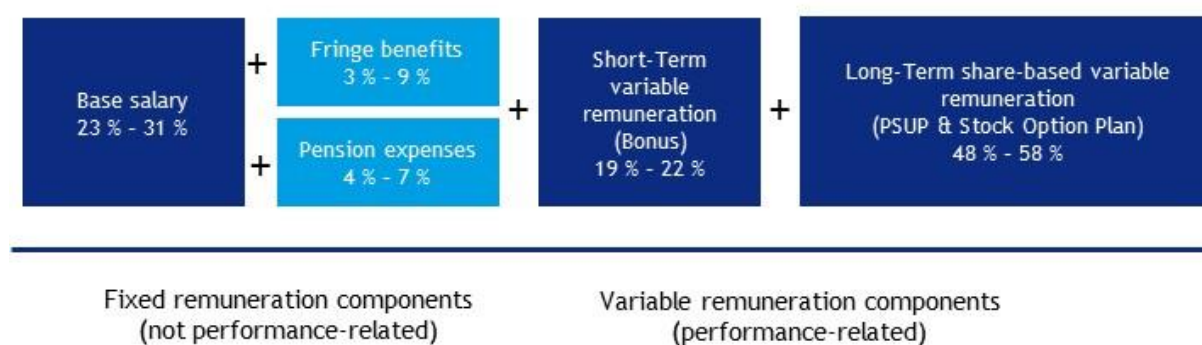
The fixed base salary represents around 23 % - 31 % of the target total remuneration. Short-term variable remuneration (annual bonus) represents around 19 % - 22 % of the target total remuneration, while long-term variable remuneration (Stock Option Plan and Performance Share Unit Program) represents around 48 % - 58 % of the target total remuneration. Fringe benefits are granted at an average rate of around 3 % - 9 % of the target total remuneration, while the share of pension expense is around 4 % - 7 % of the target total remuneration.

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The target total remuneration for a member of the Management Board may increase in exceptional cases in the year of appointment or in the second year after appointment as a member of the Management Board, if, for example, the Supervisory Board grants the newly appointed member of the Management Board further payments as compensation for entitlements from a previous service agreement lost due to the acceptance of the new position at MorphoSys AG.

In accordance with the recommendation of the GCGC, the Supervisory Board ensures, when determining the target total remuneration, that the variable remuneration resulting from the achievement of long-term targets exceeds the proportion of short-term targets. This ensures that the remuneration system is focussed on the long-term development and implementation of the business objectives of MorphoSys AG, without losing the achievement of short-term, especially operational, objectives out of sight.

Target Total Remuneration



6. Caps and maximum remuneration

In order to achieve a balanced risk-reward profile and a corresponding incentive effect of the remuneration system, the variable remuneration components are designed in such way that the payout can be zero. Further, the annual bonus, the Performance Share Unit Program and the Stock Option Plan provide for maximum limits (cap).

In addition, in accordance with section 87a para. 1 sentence 2 no. 1 AktG, the Supervisory Board has defined a maximum remuneration for the members of the Management Board. It is not decisive when the respective remuneration component is paid out, but for which financial year it is granted. The Supervisory Board reviews the appropriateness of the maximum remuneration. This appropriateness review is carried out in connection with the horizontal and vertical comparison and includes both the fringe benefits and the pension expenses in the respective maximum amounts determined on a lump-

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sum basis. The Supervisory Board also includes any group remuneration of individual members of the Management Board in the calculation of the maximum remuneration.

The maximum remuneration for a financial year – regardless of whether the payout occurs in this financial year or at a later date and based on the respective maximum limits for short-term and long-term variable remuneration – is 7,480,000.00 € for the CEO and 3,700,000.00 € for each ordinary board member.

The maximum remuneration does not represent the level of remuneration sought by the Supervisory Board or the level of remuneration the Supervisory Board deems to be appropriate, but rather an absolute maximum limit that can only be attained if targets are optimally met and the share price of the shares of MorphoSys AG increases substantially.

The maximum remuneration for a member of the Management Board may increase in exceptional cases in the year of appointment or in the second year after appointment as a member of the Management Board, if the Supervisory Board grants the newly appointed member of the Management Board further payments as compensation for payments from a previous service agreement lost due to the acceptance of the new position at MorphoSys AG. In such case, the maximum remuneration may increase by up to 25 % for the financial year in which the remuneration is granted. The maximum remuneration may also increase to the above extent if a member of the Management Board is granted severance payments on the occasion of the early termination of his service agreement (including early termination in the event of a change of control). However, in accordance with the requirements of the GCGC, severance payments are limited to a maximum value of two years' remuneration and compensate no more than the remaining term of the service agreement.

In addition, the Performance Share Unit Program contains a maximum limit for payouts in the amount of 250 % of the respective individual grant amount. The maximum value inflow at the end of the waiting period under the Stock Option Plan will also be limited to 250 % of the respective individual grant amount in the future.

D. Remuneration components in detail

1. Fixed remuneration components

The fixed remuneration of the members of the Management Board comprises a fixed base salary as well as individually agreed fringe benefits, contributions to individual pension plans, and other benefits granted in exceptional cases.

a. Base salary

Each member of the Management Board receives a fixed base salary agreed on an individual basis, which is generally paid out in twelve monthly installments.

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b. Fringe benefits

In addition, the members of the Management Board receive customary fringe benefits, which may mainly include the use of company cars for business and private purposes, subsidies for, reimbursement of costs for, or conclusion of health, social, accident and occupational disability insurance policies, and reimbursements for tax advice and double budgeting, as well as other expense allowances. Additional services, such as the (lump-sum) reimbursement of work-related relocation expenses, may be agreed upon individually with the respective member of the Management Board. MorphoSys AG further maintains a "Directors and Officers Insurance" (D&O insurance) policy with a deductible of at least 10 % of the damage up to at least one and a half times the fixed base salary for each member of the Management Board.

c. Pension expenses

MorphoSys AG grants the members of the Management Board an amount of maximum of 10 % of the fixed base salary of each member of the Management Board, which are to be used by the member of the Management Board for individual retirement benefits. In addition, all members of the Management Board participate in a pension plan. The pension expense may deviate from this in exceptional cases if the Management Board member's main place of residence is outside Germany. In such cases, the pension expense is adjusted to take account of national (in particular regulatory) requirements. However, the Supervisory Board ensures that the above maximum limit of 10 % of the fixed base salary and the share of the target total remuneration set for pension expense is not exceeded.

d. Other services

Finally, the Supervisory Board may, in exceptional cases, agree with the respective member of the Management Board on payments in connection with their appointment as a member of the Management Board of MorphoSys AG (e.g., to compensate entitlements under previous service agreements) or on special remuneration for extraordinary performance of a member of the Management Board within the scope of the defined maximum remuneration.

2. Variable remuneration components

The variable, performance-based remuneration of the members of the Management Board of MorphoSys AG consists of a short-term remuneration component, the annual bonus and long-term remuneration components, the Performance Share Unit Program and the Stock Option Plan, and significantly contributes to the long-term and sustainable development of MorphoSys AG and the MorphoSys-Group. The short-term and long-term remuneration components depend on the achievement of financial and non-financial performance targets. In addition, the Supervisory Board may take ESG targets into account when determining the amount of the annual bonus. Under the Performance Share Unit Program, ESG targets are an integral part of the performance targets to be achieved.

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a. Annual bonus (Short-Term Incentive, STI)

Key features of the annual bonus

The members of the Management Board receive a short-term performance-based remuneration in the form of an annual bonus depending on financial and non-financial performance targets, which rewards the operational implementation of the MorphoSys Group's corporate strategy during a financial year. The annual bonus will be paid out in cash at the beginning of the following financial year.

Performance targets and evaluation of the target achievement

The performance targets for the annual bonus include company-related financial and non-financial performance targets. Further, the Supervisory Board may take into account certain ESG-targets. The definition of both financial and non-financial as well as ESG targets for the assessment of the annual bonus rewards the implementation of the business strategy of MorphoSys AG and at the same time creates an incentive for sustainable and future-oriented actions of the members of the Management Board.

The Supervisory Board defines the performance targets for each upcoming financial year as follows:

- **Company goals**

The Supervisory Board first defines ambitious and measurable Company-related goals (*Company Goals*), which are based not only on operational objectives, but also on strategic goals and can be set uniformly for all members of the Management Board or individually for individual members of the Management Board.

The company goals may relate to both MorphoSys AG and the MorphoSys-Group. Company goals may be, in particular:

- Financial development in accordance with the published financial forecast,
- Business development,
- Targets concerning the development of the Company's pipeline,
- Goals concerning product development and approval, as well as
- Marketing goals.

The Supervisory Board may also define other corporate targets for a financial year.

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For the financial year 2021, the Supervisory Board has defined the following Company Goals: Maximize on Tafasitamab promise,

- Fill the Company's pipeline for sustainable growth,
- Develop Felzartamab into the autoimmune disease space, as well as
- Deliver financially in accordance with the financial forecast 2021 and build a compelling global operating model.

- **ESG Targets**

In addition to the corporate targets, the Supervisory Board can also set ESG targets for all members of the Management Board on a uniform basis or individually for the members of the Management Board in order to incentivize sustainable and long-term corporate success. In this case, the Supervisory Board defines the specific ESG targets for a financial year on the basis of the following target catalog:

- Employee targets,
- Sustainability targets,
- Diversity targets,
- Goals concerning energy and environment,
- Goals concerning the MorphoSys Foundation, as well as
- Goals concerning medical progress.

For each defined performance target, the Supervisory Board sets ambitious, measurable and transparent targets for the upcoming financial year, which the Supervisory Board may take into account for the determination of the target achievement for the respective performance target. Further, the Supervisory Board defines the weighting of the performance targets for the calculation of the overall target achievement.

The Supervisory Board determines the annual bonus payment on the basis of a target amount in the event of 100 % target achievement. The target amount for the Chairman of the Management Board corresponds to 80 % of the annual base salary and for all other members of the Management Board to 70 % of the annual base salary.

At the beginning of the subsequent financial year, the Supervisory Board first assesses the achievement (as a percentage) of each performance target, whereas a target achievement of between 0 % and 125 % for each performance target is possible. The so-calculated target achievement of each performance target corresponds to a specific target achievement level (Score) (as a percentage). For

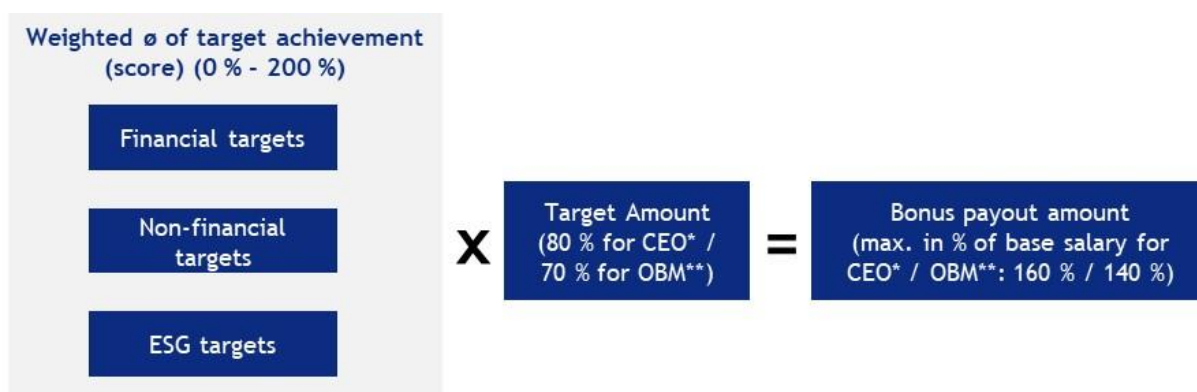
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each performance target, a target achievement level (Score) of up to 200 % can be achieved. A percentage target achievement of below 70 % corresponds to a target achievement level (Score) of 0 %. Hereinafter, the target achievement increases linearly. A percentage target achievement of 85% corresponds to a target achievement level (Score) of 75 %. A percentage target achievement of 100 % corresponds to a target achievement level (Score) of 100 %. Hereinafter, any increase of the percentage target achievement by 1 % corresponds to an increase of the target achievement level (Score) of 4 %. A percentage target achievement of 125 % or more corresponds to a target achievement level of 200 %. Any further increase of the target achievement does not result in a further increase of the target achievement level (cap).

Target achievement of performance targets (0 % - 125 %)	Corresponding score (0 % - 200 %)
125 % and above	200 %
112.50 %	150 %
100 %	100 %
85 %	75 %
70 %	50 %
below 70 %	0 %

Exemplary representation of the calculation leading from target achievement to the corresponding score

On the basis of the so-calculated target achievement level for each performance target and of the weighting of the individual performance targets as defined by the Supervisory Board, the Supervisory Board calculates the overall target achievement for the annual bonus for the previous financial year, on the basis of which the amount of the annual bonus payment is determined as the overall target achievement multiplied by the target amount (80 % of the annual base salary for the CEO and 70 % of the annual base salary for ordinary board members). The so calculated payment amount is limited to 160 % of the annual base salary for the CEO and to 140 % of the annual base salary for ordinary board members.



* Chief Executive Officer; ** Ordinary Board Member

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The company goals for one financial year and their weighting for the determination of the target achievement will be disclosed in the remuneration report for the respective financial year.

b. Long-term remuneration components (Long-Term Incentive, LTI)

The long-term variable remuneration of the members of the Management Board consists of a Performance Share Unit Program. The Supervisory Board may also grant variable remuneration in whole or in part under a Stock Option Plan to the members of the Management Board. The Supervisory Board determines for each member of the Management Board for each financial year the ratio of variable remuneration granted under the Performance Share Unit Program and the Stock Option Plan, always ensuring that the share of target total remuneration set for long-term variable remuneration is not exceeded.

The performance targets set by the Supervisory Board for the Stock Option Plan are currently linked to the share price performance of the share of MorphoSys AG. The variable remuneration under the Performance Share Unit Program is further linked to the achievement of non-financial and, in particular, ESG targets. The Supervisory Board also ensures that ESG objectives are always weighted with at least 20 % within the long-term variable remuneration.

The design of the long-term variable remuneration as a share price-based model and the additional consideration of non-financial and ESG targets under the Performance Share Unit Program incentivize the contribution of the members of the Management Board to the long-term and sustainable development of the Company. In addition, the share-based structure of the remuneration also contributes to a stronger consideration of the interests of the shareholders.

(i) Performance Share Unit Program

Key features of the Performance Share Unit Program

The members of the Management Board may be granted so-called Performance Share Units under a Performance Share Unit Program. After the expiry of a four-year waiting period and subject to the achievement of certain performance targets as shown below, Performance Share Units are settled after a four-year waiting period in cash, by delivery of treasury shares of the Company, or by a combination of both.

At the beginning of the four-year waiting period, the Supervisory Board determines a grant amount in Euros for each member of the Management Board within the target total remuneration, which, divided by the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the grant, results in the number of Performance Share Units to be granted to the respective member of the Management Board.

The final number of Performance Share Units is linked to the overall target achievement of three performance targets during the four-year waiting period. The performance targets are the absolute and relative share price performance of the share of MorphoSys AG during the waiting period as well

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as an ESG target to be determined by the Supervisory Board at the beginning of the four-year waiting period. On the basis of the target achievement of each of the performance targets, the Supervisory Board calculates an overall target achievement, which determines the final number of Performance Share Units.

The final number of Performance Share Units entitle the member of the Management Board to a cash payment, to be fulfilled by the Company within 90 days after expiry of the waiting period. The payout for each Performance Share Unit corresponds to the average closing price of the shares of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the expiry of the four-year waiting period. The Company is further entitled to settle the payment claim of the respective member of the Management Board against the Company in whole or in part by delivering treasury shares of the Company.

The target achievement for the performance targets may correspond to between 0 % and 200 %. In addition, payouts made to the members of the Management Board under the Performance Share Unit Program are limited to 250 % of the initial individual grant amount (cap). In case, this cap is exceeded, a respective number of Performance Share Unit will forfeit without entitlement to compensation. The cap applies accordingly, if the Company settles the payment claim in whole or in part by delivering treasury shares of the Company. If not all performance share units have vested, this cap is decreased to the respective pro-rata amount of the grant amount.

Performance targets of the Performance Share Unit Program

The performance targets of the Performance Share Unit Program comprise the absolute and the relative share price performance of the share of MorphoSys AG as well as an ESG target.

- **Absolute share price performance:**

The absolute share price performance of the share of MorphoSys AG is measured by a comparison of the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the last 30 trading days prior to the beginning and the last three months prior to the end of the four-year waiting period.

- **Relative share price performance:**

The relative share price performance of the share of MorphoSys AG is measured by comparing the performance of the share price of the share of MorphoSys AG to the performance of the EURO STOXX Total Market Pharmaceuticals & Biotechnology as benchmark index. The relevant share price of the share of MorphoSys AG is the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning of the four-year waiting period and during the three months prior to the end of the four-year waiting period. The relevant price of the EURO STOXX Total Market Pharmaceuticals & Biotechnology is the average closing price of the EURO STOXX Total Market Pharmaceuticals & Biotechnology

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during the 30 trading days prior to the beginning and during the three months prior to the end of the four-year waiting period.

- **ESG Target**

In addition to the absolute and relative share price performance, the Supervisory Board shall define an ambitious, measurable and transparent ESG target at the beginning of the four-year waiting period to be achieved until the expiry of the four-year waiting period. Further, the Supervisory Board defines target criteria for the defined ESG-target, which will lead to a target achievement for the ESG-target of between 0 % and 200 %.

The Supervisory defines the ESG-target on the basis of the following target catalog:

- Employee targets,
- Sustainability targets,
- Diversity targets,
- Goals concerning energy and environment,
- Goals concerning the MorphoSys Foundation, as well as
- Goals concerning medical progress.

For the Performance Share Unit Program 2021, the Supervisory Board has determined the ESG-objective “Workforce Engagement of MorphoSys-Group”. Within this performance target, the Supervisory Board measures both the development of the workforce engagement of MorphoSys-Group during the four-year waiting period on the basis of a comparison of the workforce engagement at the beginning of the waiting period with the workforce engagement at the end of the waiting period (absolute workforce engagement), and the degree of achievement of certain target values for the workforce engagement as defined by the Supervisory Board on the basis of a market benchmark and to be achieved until the end of the waiting period (relative workforce engagement).

Determination of target achievement

After the expiry of the four-year waiting period, the Supervisory Board determines the degree of target achievement for the performance targets as follows:

- **Absolute share price performance**

If the share price declines during the waiting period, the target achievement of the absolute share price performance target is 0 %. If the share price performance of the share of MorphoSys AG is 0 %, the target achievement of the performance target is 50 %. Subsequent increases in the target achievement are linear. If the share price of the share of MorphoSys AG increases by 32 % during

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the waiting period, the target achievement is 100 %. If the share price of the share of MorphoSys AG increases by 64 % during the waiting period, the target achievement is 150 %. If the share price of the share of MorphoSys AG increases by 96 % during the waiting period, the target achievement is 200 %. A further increase of the target achievement is not possible (cap).

- **Relative share price performance**

If the share price declines compared to the benchmark index during the waiting period, the target achievement of the performance target of the relative share price performance is 0 %. If the share price performance of the share of MorphoSys AG is 0 % compared to the benchmark index, the target achievement of the performance target is 100 %. Subsequently increases in the target achievement are linear. If the share price of the share of MorphoSys AG increases by 32 % compared to the benchmark index, the target achievement is 150 %. If the share price of the share of MorphoSys AG increases by 64 % compared to the benchmark index, the target achievement is 200 %. A further increase of the target achievement is not possible (cap).

- **ESG Target**

After the expiry of the four-year waiting period, the Supervisory Board determines the target achievement (as a percentage) for the defined ESG target on the basis of the defined targets. A target achievement of up to 200 % can also be reached here (cap).

After the expiry of the four-year waiting period, on the basis of the percentage target achievement of each performance target, the Supervisory Board calculates the overall target achievement (as a percentage), with the absolute share price performance and the relative share price performance being weighted with 40 % each, and the ESG-target being weighted with 20 %. The Supervisory Board may adjust the weighting in each case if required, to ensure that ESG targets are always weighted at least 20 % within the long-term variable remuneration, e.g., in case stock options under the Stock Option Plan are granted at the same time.

On the basis of the overall target achievement, the final number of Performance Share Units of each member of the Management Board is calculated by multiplying the number of Performance Share Units vested after the end of the four-year waiting period with the overall target achievement.

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* Average closing price during the 30 days prior to the grant resp. prior to the end of the waiting period.

** Calculation based on the average closing price over the last 30 trading day prior to the beginning resp. 3 months prior to the end of the waiting period.

(ii) Stock option plan

Key features of the Stock Option Plan

The members of the Management Board may also be granted stock options under a Stock Option Plan. For this purpose, as part of the target total remuneration for each member of the Management Board, the Supervisory Board determines a target value in Euro as grant value, which, divided by the fair value of a stock option as determined on the basis of an option pricing model, results in the initial number of stock options to be granted to the respective member of the Management Board.

The final number of stock options is linked to the overall degree of target achievement of two performance targets as set out below during a waiting period of four years. For this purpose, the degree of target achievement of the respective performance target during the four-year waiting period is determined for an assessment period of one year each. At the end of the four-year waiting period, the target achievement as determined for each of the two performance targets is used to calculate the overall degree of target achievement and the final number of stock options granted to each member of the Management Board. For this purpose, the initial number of granted stock options is multiplied by the overall target achievement and rounded up to the next whole number. The resulting final number of stock options is limited to 200 % of the initially granted stock options. In addition, the actual maximum economic inflow after expiry of the four-year vesting period is limited to 250 % of the grant amount (cap). In case, the cap will be exceeded, a respective number of stock options shall forfeit

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without entitlement to compensation. If not all stock options have vested, the cap is reduced proportionately.

Stock options may only be exercised if the statutory four-year vesting period has expired and the respective minimum target achievement for a performance target has been exceeded. Furthermore, stock options may only be exercised within a fixed exercise period of three years after the date on which both the consolidated financial statements of the Company for the last financial year prior to the expiry of the waiting period have been approved and the waiting period has expired. Stock options are settled by delivering new shares or treasury shares of the Company, with each stock option entitling the respective member of the Management Board to subscribe for one share. The Company is also entitled, in whole or in part, instead of delivering (new or treasury) shares, to make a cash payment in the amount of the value of the shares to be delivered upon exercise of the stock options minus the exercise price.

Upon exercise of the stock options, an exercise price is payable for each share to be subscribed. The exercise price corresponds to the average closing price of the share of MorphoSys AG during the last 30 trading days prior to the day on which the stock options were granted.

Performance targets of the Stock Option Plan

The overall target achievement for the long-term variable remuneration under the Stock Option Plan is measured on the basis of two performance targets, the absolute and the relative share price performance of the share of MorphoSys AG. Each performance target has a weighting of 50 % for the overall target achievement.

- **Absolute share price performance**

The absolute share price performance of the share of MorphoSys AG is measured by a comparison of the average stock exchange price of the share of MorphoSys AG in Xetra trading during the last 30 trading days on the Frankfurt Stock Exchange prior to the beginning and prior to the end of the respective one-year assessment period.

- **Relative share price performance**

The relative share price performance of the share of MorphoSys AG is measured by comparing the average stock exchange price of the share of MorphoSys AG during the last 30 trading days prior to the beginning and prior to the end of the respective one-year assessment period with the average closing price of a benchmark index during the last 30 trading days prior to the beginning and prior to the end of the respective one-year assessment period. The benchmark index is composed of the Nasdaq Biotechnology Index and the TecDAX at 50 % each.

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For each of the two performance targets, the degree of target achievement is determined for each of the one-year assessment periods depending on the share price performance as follows:

- **Absolute share price performance**

If the share price declines within a one-year assessment period, the degree of achievement of the absolute share price performance target is 0 %. If the share price performance of the share of MorphoSys AG is 0 %, the degree of target achievement of the performance target is 50 %. Subsequent increases in the target achievement are linear. If the share price of the share of MorphoSys AG increases by 8 %, the target achievement is 100 %. If the share price of the share of MorphoSys AG increases by 16 %, the target achievement is 150 %. If the share price of the share of MorphoSys AG increases by 24 %, the target achievement is 200 %. Any further increase of the target achievement is not possible (cap).

- **Relative share price performance**

If the share price declines compared to the benchmark index within a one-year assessment period, the degree of target achievement of the performance target of the relative share price performance is 0 %. If the share price performance of the share of MorphoSys AG is 0 % compared to the benchmark index, the degree of target achievement of the performance target is 100 %. Subsequent increases in the target achievement are linear. If the share price of the share of MorphoSys AG increases by 8 % compared to the benchmark index, the target achievement is 150 %. If the share price of the share of MorphoSys AG increases by 16 % compared to the benchmark index, the target achievement is 200 %. Any further increase of the target achievement is not possible (cap).

On the basis of the target achievement for each of the performance targets, the Supervisory Board calculates an arithmetic mean, which determines the final target achievement rate (as a percentage) for each of the two performance targets. The final target achievement rates are added up and divided by two. The result forms the overall target achievement, which is used to determine the final number of stock options for each individual member of the Management Board.

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* Calculated based on the last 30 trading days prior to the beginning and prior to the end of the respective one-year assessment period.

** For each stock option that is exercised, an exercise price corresponding to the average closing price during the 30 days prior to the grant date must be paid. The actual inflow from the stock option plan at the end of the waiting period is capped at 250% of the original grant value.

Future Stock Option Plans may - subject to the approval of the General Meeting of MorphoSys AG - also include ESG targets in accordance with the ESG targets as defined for the Performance Share Unit Program as performance targets. In this case, the weighting of the performance targets and the determination of target achievement in future Stock Option Plans may deviate from the above, in order to allow an appropriate consideration of ESG targets.

E. Remuneration-related legal agreements

The service agreements of the members of the Management Board of MorphoSys AG are concluded for the duration of their appointment and are extended for the duration of the reappointment as a member of the Management Board, unless the Company and the respective member of the Management Board enter into deviating or supplementary agreements in connection with the reappointment.

1. Early termination of the service agreement

The revocation of the appointment of a member of the Management Board pursuant to Sec. 84 para. 3 AktG shall at the same time be deemed to be a termination of the corresponding service agreement with a notice period of 23 months to the end of the month, unless the service agreement provides for a shorter term. In this case, the termination shall be effective as of the end of the contractual term.

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In the event of an early termination of a Management Board member's service agreement (including termination by mutual agreement), payments including fringe benefits shall not exceed twice the annual remuneration (severance cap), and shall not constitute remuneration for more than the remaining term of the service agreement. The severance cap shall be calculated on the basis of the total remuneration for the previous full financial year and, where appropriate, also the expected total remuneration for the current financial year. The entitlement to payment of performance-related remuneration components already granted (Stock Option Plan and Performance Share Unit Program) attributable to the period up to termination of the service agreement is based on the originally agreed targets and comparison parameters and on the due dates or holding periods stipulated in the service agreement. The plan conditions of the Performance Share Unit Program and the Stock Option Plan generally provide for a provision pursuant to which Performance Share Units and stock options, respectively, shall forfeit for the time period following the termination of the service agreement.

If the service agreement is terminated for good cause for which the member of the Management Board is responsible, no payments will be made to the member of the Management Board.

2. Change of control

In the event of a change of control, the service agreements of the members of the Management Board provide for the right of the respective member of the Management Board to resign from office as a member of the Management Board within three months after the occurrence of a change of control, by giving three months' notice to the end of a calendar month. The service agreement shall terminate at the same time as the resignation from the Management Board becomes effective.

Change of control means

- (i) the transfer of the corporate assets of MorphoSys AG as a whole or in substantial parts to a company not affiliated with MorphoSys AG;
- (ii) the merger of MorphoSys AG with a non-affiliated company of MorphoSys AG;
- (iii) the conclusion of an inter-company agreement pursuant to section 291 AktG with MorphoSys AG as a dominated company or the integration of MorphoSys AG pursuant to section 319 AktG; or
- (iv) the direct or indirect holding of at least 30 % of the voting rights in shares of MorphoSys AG by a shareholder or a third party, including the voting rights attributed to the shareholder or third party pursuant to section 30 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz [WpÜG]).

In order to ensure that the respective member of the Management Board assesses a potential change of control solely in the interests of the Company and its shareholders and that the actions of the member of the Management Board are not affected by any potential detriments suffered in case of such change of control, the service agreements of the members of the Management Board

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provide for the payment of a severance payment in the form of the annual gross fixed salary and the annual bonus until the regular expiry of the service agreement in the event of resignation from office by the respective member of the Management Board on the occasion of a change of control. The amount of the bonus entitlement corresponds to the bonus for the last financial year prior to resignation. The severance payment in the event of resignation from office due to a change of control is further subject to the severance cap described above under section E. 1 as a maximum limit. The plan conditions of the Performance Share Unit Program and the Stock Option Plan further provide for a provision pursuant to which all Performance Share Units and stock options granted to a member of the Management Board become fully vested in case of a Change of Control.

3. Incapacity to work

In the event of a Management Board member's permanent incapacity for work, the service agreement of such member of the Management Board shall end six months after the end of the month in which the permanent incapacity for work was established.

F. Post-contractual non-competition clause

The service agreements of the members of the Management Board generally provide for a post-contractual non-competition clause for a time period of one year. In such case, MorphoSys AG pays a compensation payment to the respective member of the Management Board amounting to 100 % of the fixed salary for the duration of the non-competition clause. Any severance payment will be offset against the compensation payment.

G. Malus and clawback

Service agreements of members of the Management Board to be newly concluded or extended as well as future plan conditions of the Performance Share Unit Program and the Stock Option Plan will contain so-called *malus* and *clawback* provisions which entitle the Company to retain or reclaim in whole or in part variable remuneration components in the event of a breach of internal conduct policies or statutory duties by the respective member of the Management Board. The Performance Share Plan already provides for the right of the Company to adjust the payout under the Performance Share Plan in such cases. Further, service agreements of members of the Management Board to be newly concluded or extended, as well as future plan conditions of the Performance Share Unit Program and the Stock Option Plan will contain a provision pursuant to which the Company is entitled to reclaim variable remuneration already paid out which was based on an incorrect calculation.

H. Sideline activities

Remuneration for Supervisory Board mandates within the MorphoSys-Group is offset against the fixed remuneration of the respective member of the Management Board. The Supervisory Board shall decide whether remuneration for Supervisory Board mandates outside of non-group entities is to be offset against the fixed remuneration.

I. Extraordinary developments

In the event of extraordinary developments, the Supervisory Board is entitled to adjust the amount of the individual remuneration components, including the target total remuneration of variable remuneration components in the event of 100 % target achievement, their ratio to each other, the criteria for target achievement, the respective payment amounts and the payment dates, provided that the upper limits (caps) and the maximum remuneration are not exceeded.

Extraordinary developments occur when circumstances have arisen or are more likely than not to arise that could not have been foreseen when the targets for variable remuneration components were set and which have a significant impact on the total remuneration of the members of the Management Board. Such events include, in particular, major acquisitions, the sale of significant parts of MorphoSys AG, substantial changes in the underlying accounting standards or tax regulations, natural disasters, pandemics or comparable events. In making its decision, the Supervisory Board also takes into account the extent to which MorphoSys AG, the shareholders and the employees are or will be affected by the extraordinary developments.

J. Temporary deviations

The Supervisory Board may temporarily deviate from the remuneration system if this is necessary in the interests of the long-term welfare of the Company, for example in the event of an economic or corporate crisis, in the event of the need to adjust the remuneration system in the event of a significant change in corporate strategy in order to ensure appropriate incentives, or in the event of changes in the applicable regulatory framework.

The components of the remuneration system from which deviations may be made are the procedure, the remuneration structure, the amount of remuneration and the amount of the individual remuneration components. In such cases, the Supervisory Board may also introduce new remuneration components. Deviation from the remuneration system requires a resolution of the Supervisory Board, which also determines the circumstances leading to the deviation.

VII.

Remuneration system for members of the Supervisory Board

The remuneration of the members of the Supervisory Board is appropriate in relation to the tasks of the Supervisory Board members and the situation of the Company, and further takes into account the remuneration of Supervisory Board members in comparable listed companies. The remuneration is in line with customary market practice and at the same time allows the Company to attract the best national and international candidates for a position as a member of the Supervisory Board, thereby

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ensuring independent and appropriate monitoring and advice of the Management Board. The remuneration of the members of the Supervisory Board thus also provides for a sustainable contribution to the promotion of the business strategy and long-term development of the Company. The remuneration system for the members of the Supervisory Board complies with statutory requirements and the recommendations of the German Corporate Governance Code.

The members of the Supervisory Board of the Company receive only a fixed remuneration. This ensures that the remuneration of the members of the Supervisory Board reflects the function of the Supervisory Board as an independent advisory and supervisory body and ensures that all members of the Supervisory Board make their decisions neutrally and objectively. Variable remuneration is therefore also not planned for the members of the Supervisory Board in the future.

For their activities as members of the Supervisory Board of MorphoSys AG, the members of the Supervisory Board receive the following remuneration:

- a) The remuneration of the members of the Supervisory Board consists of an annual base remuneration in the amount of 98,210.00 € for the Chairman of the Supervisory Board, 58,926.00 € for the Deputy Chairman of the Supervisory Board and 39,284.00 € for the other Supervisory Board members.
- b) In addition, the Chairman of the Supervisory Board receives an amount of 4,000.00 € for each Supervisory Board meeting chaired by him, and the other members of the Supervisory Board receive an amount of 2,000.00 € for each Supervisory Board meeting attended. This also applies to Supervisory Board meetings held by telephone or video conference. However, if the Chairman of the Supervisory Board or a member of the Supervisory Board participates in a meeting held in person by telephone or video conference, the respective above amounts shall be reduced by half for the person not attending in person.
- c) For their work in Supervisory Board committees, the chairman of the Audit Committee receives an annual remuneration of 18,000.00 €, the chairman of another committee receives an annual remuneration of 12,000.00 € for each committee in which he or she holds the chair, and the other committee members receive an annual remuneration of 6,000.00 € for each committee of which they are members.
- d) In addition, Supervisory Board members each receive 1,200.00 € for each participation in a meeting of a committee of which they are a member, even if the meeting is not held as a meeting in person, but by telephone or video conference. If a Supervisory Board member participates by telephone or video conference in a committee meeting held as a meeting in person, the above-mentioned amount is reduced by half.
- e) If (i) a Supervisory Board member with a (geographical) non-European domicile personally attends a Supervisory Board and/or committee meeting in Europe, or (ii) a Supervisory Board member with a (geographical) intra-European domicile personally attends a Supervisory Board

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and/or committee meeting in the USA, such Supervisory Board member receives an additional lump-sum expense allowance of 2,000.00 € for the travel time involved.

The remuneration pursuant to a) and c) above shall be payable in equal installments quarterly and the attendance fees pursuant to b) and d) above and the expense allowance pursuant to e) above shall each be payable at the end of the calendar quarter in which the respective meetings took place.

The Company further reimburses any value-added tax incurred. Supervisory Board members who have been members of the Supervisory Board for only part of the fiscal year shall receive a pro rata remuneration in accordance with the above lit. a) and lit. c). In addition, the members of the Supervisory Board are included in a Directors and Officers liability insurance (D&O Insurance) maintained by the Company at an appropriate level in the interests of the Company. The premiums are paid by the Company. An appropriate deductible has been agreed for the D&O Insurance of the members of the Supervisory Board. Insofar as members of the Supervisory Board take part in further education and training measures in accordance with the recommendations of the German Corporate Governance Code, the Company reimburses the costs incurred.

The Supervisory Board regularly reviews the appropriateness and amount of its remuneration. In this context, it may also consult an external remuneration expert, who is rotated from time to time. The General Meeting of the Company shall resolve upon the remuneration of the members of the Supervisory Board at least every four years, whereby the respective existing remuneration system may be confirmed or a new resolution may be adopted. For this purpose, the Management Board and the Supervisory Board will submit a resolution proposal to the General Meeting. The resolution on the remuneration system lies within the competence of the General Meeting.

VIII.

Documents and information available on the Company website

This invitation to the virtual Annual General Meeting, the documents to be made available to the Annual General Meeting and further information in connection with the Annual General Meeting will be available on the website of MorphoSys AG at www.morphosys.com/agm from the time the Annual General Meeting is convened.

Any counter motions, election proposals and/or requests for supplements from shareholders received by MorphoSys AG and subject to publication will also be made available on the above-mentioned website. There, after the Annual General Meeting, the determined voting results will also be published.

The MorphoSys AG website also provides access to the password-protected web service for the virtual Annual General Meeting, which enables duly registered shareholders or their proxies to exercise their

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voting rights by way of electronic vote by mail during the Annual General Meeting. The password-protected web service allows duly registered shareholders or their proxies to **visually and audibly follow the Annual General Meeting live in full from 2:00 p.m. (CEST) on May 19, 2021 by electronic link (no electronic participation).**

IX.

Total number of shares and voting rights at the time of convening the Annual General Meeting

At the time of convening the Annual General Meeting, the Company's share capital consisted of 32,890,046 no-par value bearer shares. Each share grants one vote. At the time of convening the Annual General Meeting, the Company held 131,414 treasury shares. These shares do not convey any rights to the Company. The total number of shares bearing participation and voting rights at the time of convening the Annual General Meeting was 32,758,632.

X.

Conducting the Annual General Meeting as a virtual Annual General Meeting with visual and audible transmission without the physical presence of the shareholders or their proxies

In view of the ongoing COVID-19 pandemic, the Annual General Meeting on May 19, 2021 will be held on the basis of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020 (Federal Law Gazette I No. 14 2020, p. 570), as last amended by the Act on the Further Shortening of Residual Debt Relief Proceedings and on the Adaptation of Pandemic-Related Provisions in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of December 22, 2020 (Federal Law Gazette I No. 67 2020, p. 3328), the validity of which was extended by the Ordinance on the Extension of Measures in Company, Cooperative, Association and Foundation Law to Combat the Effects of the COVID-19 Pandemic of October 20, 2020 (Federal Law Gazette I No. 48 2020, p. 2258) was extended until December 31, 2021, (hereinafter "**COVID-19 Related Measures Act**") as a virtual shareholders' meeting without the physical presence of shareholders or their proxies but with the possibility of participation by way of electronic connection (**attendance**).

Shareholders and shareholder proxies (with the exception of the Company's proxies) are therefore not able to physically attend the Annual General Meeting but can follow the entire Annual General Meeting by video and audio transmission on the MorphoSys AG website at www.morphosys.com/agm via the password-protected web service. This video and audio transmission does not meet the definition of participation in the Annual General Meeting as defined by section 118 para. 1 sentence 2 AktG and

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does not meet the definition of electronic participation as defined by section 1 para. 2 sentence 1 no. 2, alt. 2 of the COVID-19 Related Measures Act. Instead of the customary admission ticket, duly registered shareholders will be sent individual access details for the password-protected web service together with the AGM ticket, with which the shareholders can use the password-protected web service accessible on the website of MorphoSys AG at www.morphosys.com/agm.

XI.

Password-protected web service for the Annual General Meeting

A password-protected web service will be available on the website of MorphoSys AG at the Internet address www.morphosys.com/agm from April 28, 2021, 00:00 hours [beginning of the day] (CEST). Via this service, duly registered shareholders (and, if applicable, their proxies) can, among other things, follow the Annual General Meeting in picture and sound, exercise their voting rights, grant proxies, submit questions or declare objections to the minutes in accordance with the procedures provided for this purpose. In order to use the password-protected web service, they must log in using the individual access details they receive after registering and providing proof of share ownership.

The individual access details for using the password-protected web service at www.morphosys.com/agm will be sent following timely registration, including receipt by the Company of proof of share ownership (see Section XII. below).

XII.

Requirements for attending the Annual General Meeting and exercising shareholders' rights, particularly voting rights

Pursuant to Article 17 para. 1 of the Articles of Association, shareholders who register for the Annual General Meeting and provide evidence of their entitlement (**duly registered shareholders**) are entitled to participate in the Annual General Meeting by electronic connection and to exercise their shareholder rights, in particular their voting rights. The registration and proof of entitlement must be submitted to the Company in German or English by no later than the end of

May 12, 2021

(24:00 hours [midnight] CEST)

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at the following address, fax number or email address (e.g., as a scanned file in pdf format):

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 / 889 690 633
Email: anmeldung@better-orange.de

Proof of share ownership in text form by the ultimate intermediary pursuant to section 67c para. 3 AktG shall be sufficient evidence of entitlement. The proof must refer to the beginning of the 21st day prior to the Annual General Meeting, specifically

April 28, 2021

(00:00 hours [beginning of the day] CEST [record date]).

Better Orange IR & HV AG is the Company's authorized recipient for registration and proof of share ownership.

After timely registration and the receipt by the Company of proof of share ownership, shareholders will be sent individual access details for use of the password-protected web service. We ask shareholders to ensure that they register and send proof of their shareholding to the Company in a timely manner.

Registered holders of American Depositary Shares (ADSs) may obtain shareholder meeting information and materials from The Bank of New York Mellon, PO Box 505000, Louisville, KY 40233-5000, USA. For questions, please contact BNY Mellon Shareowner Services (shrrelations@cpushareownerservices.com; Tel.: +1-201-680-6825, or toll-free from within the US at +1-888-269-2377).

XIII.

Significance of the record date

The record date is the decisive date for the scope and exercise of participation and voting rights at the Annual General Meeting. In relation to the Company, only persons who have provided proof of share ownership on the record date are deemed to be shareholders for the purpose of attending the Annual General Meeting or exercising voting rights. Persons who do not yet hold shares on the record date and only later become shareholders are not entitled to attend or vote, unless they themselves have been authorized or empowered to exercise rights (see below, Section XVI. "Authorization of a third party to exercise voting rights and other rights"). Shareholders who have duly registered and provided proof of share ownership are entitled to attend the Annual General Meeting and exercise their voting

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rights even if they sell their shares after the record date. The record date does not entail any block on the saleability of the shareholding. The record date is not a relevant date for any dividend entitlement.

XIV.

Exercise of voting rights by electronic vote by mail

Duly registered shareholders may cast, change or revoke their votes, even without attending the Annual General Meeting, by means of electronic communication (electronic **vote by mail**) using the password-protected web service accessible at www.morphosys.com/agm in accordance with the procedures provided for this purpose. This option of electronic voting by mail will be available until the start of voting at the virtual Annual General Meeting on May 19, 2021. The same applies to revoking or changing votes by electronic vote by mail.

XV.

**Exercise of voting rights through issue of power of attorney
and issue of instructions to Company proxies**

The Company offers duly registered shareholders the opportunity to authorize a proxy appointed by the Company and bound by instructions.

A proxy and instruction form will be sent to these shareholders together with the access details to the password-protected web service accessible at www.morphosys.com/agm, where it can also be downloaded.

Powers of attorney with instructions for the proxies nominated by the Company may be issued, amended, or revoked by

May 18, 2021

(24:00 hours [midnight] CEST [date of receipt])

by sending them to the following address, fax number or email address:

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 889 690 655
Email: morphosys@better-orange.de

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or by using the password-protected web service accessible at the Internet address www.morphosys.com/agm in accordance with the procedures provided for this purpose. The decisive factor is the time of receipt by the Company.

On the day of the virtual Annual General Meeting, powers of attorney with instructions for the proxies appointed by the Company may also be submitted, amended or revoked until the start of voting via the password-protected web service at www.morphosys.com/agm in accordance with the procedures provided for this purpose.

If proxies appointed by the Company are authorized, they must in any case be given instructions on how to exercise voting rights. The proxies are obliged to vote in accordance with the instructions. Without such express instructions, the proxies will not exercise the voting right.

XVI.

Authorization of a third party to exercise voting rights and other rights

Shareholders may also exercise their voting rights and other rights at the Annual General Meeting by proxy, e.g., by an intermediary, a shareholders' association, a voting advisor or another person of their choice. In this case, too, timely registration of the respective shareholding with the corresponding proof is required. Authorized third parties may in turn exercise their voting rights by electronic voting by mail or by issuing a power of attorney and instructions to the Company's proxies (see above). If the shareholder authorizes more than one person, the Company may reject one or more of them in accordance with section 134 para. 3 sentence 2 AktG.

The granting of the proxy, its revocation, and proof of authorization vis-à-vis the Company require text form (section 126b of the German Civil Code, Bürgerliches Gesetzbuch [BGB]) if no proxy is granted in accordance with section 135 AktG.

A proxy form will be sent to duly registered shareholders together with the access details to the password-protected web service accessible at the Internet address www.morphosys.com/agm, where it is also available for download.

In the case of authorization of intermediaries, shareholders' associations, proxy advisors or persons or institutions equivalent to these pursuant to section 135 para. 8 AktG, the special provisions of section 135 AktG apply, which require, among other things, that the authorization be recorded in a verifiable manner. Exceptions to the general text form requirement may therefore apply here. The relevant proxy recipients may stipulate special rules for their own authorization. Shareholders are therefore requested to consult with the relevant proxy recipients in a timely manner on the respective form and procedure of the authorization.

Authorization may be granted to the proxy or to the Company or amended or revoked. Proof of

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authorization can be submitted to the Company by

May 18, 2021

(24:00 hours [midnight] CEST [date of receipt])

by sending it to the following address, fax number or email address:

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 889 690 655
Email: morphosys@better-orange.de

or by using the password-protected web service accessible at the Internet address www.morphosys.com/agm in accordance with the procedures provided for this purpose. The decisive factor is the time of receipt by the Company.

On the day of the virtual Annual General Meeting, proxies may be issued, amended or revoked exclusively using the password-protected web service accessible at the Internet address www.morphosys.com/agm in accordance with the procedures provided for this purpose.

The participation of the authorized representative by electronic connection via the password-protected web service requires that the authorized representative receives the corresponding access details to the password-protected web service.

XVII.

**Shareholders' right to information pursuant to section 131 para. 1 AktG in conjunction with section 1 para. 2 COVID-19 Related Measures Act;
Shareholders' right to ask questions**

The shareholders' right to information pursuant to section 131 para. 1 AktG is restricted in the case of a virtual Annual General Meeting pursuant to section 1 para. 2 COVID-19 Related Measures Act. Accordingly, shareholders have only the right to ask questions by way of electronic communication (section 1 para. 2 sentence 1 no. 3 COVID-19 Related Measures Act). The Management Board may also stipulate that questions must be submitted no later than one day before the Annual General Meeting (section 1 para. 2 sentence 2 clause 2 COVID-19 Related Measures Act). The Management Board of MorphoSys AG has made use of this option with the consent of the Supervisory Board.

Duly registered shareholders have the right to ask questions by electronic communication (cf. section 1 para. 2 sentence 1 no. 3 COVID-19 Related Measures Act). Any questions must be submitted at the

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latest one day before the Annual General Meeting, i.e., by the end of

May 17, 2021

(24:00 hours [midnight] CEST)

via the password-protected web service accessible at the Internet address www.morphosys.com/agm in accordance with the procedures provided for this purpose.

Questions submitted after the above deadline or not in German will not be considered. It is possible to name the questioners in principle within the framework of answering the question.

Pursuant to section 1 para. 2, sentence 2 clause 1 of the COVID-19 Related Measures Act, the Management Board shall decide how to answer questions at its dutiful, free discretion.

XVIII.

Statement of objections for the record

Duly registered shareholders who have exercised their voting rights by means of electronic vote by mail or by granting power of attorney may, from the beginning to the end of the Annual General Meeting, declare their objection to resolutions of the Annual General Meeting electronically for the record of the notary public via the password-protected web service accessible at the Internet address www.morphosys.com/agm in accordance with the procedure provided for this purpose. Shareholders are not required to attend the Annual General Meeting in person, nor is it possible for them to do so.

XIX.

Requests for supplements to the agenda at the request of a minority pursuant to section 122 para. 2 AktG

Shareholders whose shares together amount to one-twentieth of the share capital or the proportionate amount of 500,000.00 € of the Company's share capital (equivalent to 500,000 no-par value shares) may request that items be placed on the agenda and published. Each new item must be accompanied by a statement of reasons or a draft resolution. The request must be addressed in writing to the Management Board of MorphoSys AG and must be received by the Company at least 30 days prior to the Annual Shareholders' Meeting, i.e., at the latest by the end of

April 18, 2021

(24:00 hours [midnight] CEST)

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at the following address:

MorphoSys AG
The Management Board
Sammelweisstraße 7
82152 Planegg
Germany

Applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Management Board's decision on the request, whereby section 70 AktG applies when calculating the period of share ownership. The day of receipt of the request shall not be counted. A transfer from a Sunday, a Saturday or a public holiday to a preceding or following working day shall not be considered. Sections 187 to 193 BGB shall not apply mutatis mutandis.

Additions to the agenda which are to be announced – insofar as they have not already been announced with the convening notice – will be published in the Federal Gazette without delay after receipt of the request and forwarded for publication to such media as can be expected to disseminate the information throughout the European Union. They will also be published on the Internet at www.morphosys.com/agm and communicated to the shareholders.

XX.

**Countermotions pursuant to section 126 para. 1 AktG and election proposals
pursuant to section 127 AktG in conjunction with
section 1 para. 2 sentence 3 COVID-19 Related Measures Act**

In addition, shareholders may submit to the Company countermotions to proposals by the Management Board and/or Supervisory Board on specific items on the agenda and nominations for the election of Supervisory Board members or auditors. Countermotions (together with any grounds), election proposals, and other inquiries from shareholders regarding the Annual General Meeting must be sent exclusively to the following address:

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 889 690 655
Email: antraege@better-orange.de

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Countermotions or election proposals addressed otherwise will not be considered. Better Orange IR & HV AG is the Company's authorized recipient for countermotions and election proposals.

Countermotions and election proposals received up to 14 days prior to the date of the Annual General Meeting, i.e., by the end of

May 4, 2021

(24:00 hours [midnight] CEST)

at the above address, fax number or email address with proof of shareholder status that includes the name of the shareholder as well as reasons to be made available, will be made available to the other shareholders on the Internet at www.morphosys.com/agm after their receipt, provided that the other requirements for an obligation to publish pursuant to section 126 AktG are met. Any comments by the management will also be published at the above Internet address.

In addition to the reasons set out in section 126 para. 2 AktG, the Management Board is also not required to make an election proposal accessible if, among other things, the proposal does not contain the name, occupation and place of residence of the candidate. Proposals for the election of Supervisory Board members also do not have to be made accessible if they are not accompanied by information on the membership of the proposed Supervisory Board candidates in other statutory supervisory boards as defined by section 125 para. 1 sentence 5 AktG.

Pursuant to section 1 para. 2 sentence 3 of the COVID-19 Related Measures Act, motions or election proposals by shareholders which are to be made available pursuant to section 126 or section 127 AktG shall be deemed to have been made at the Annual General Meeting if the shareholder making the motion or submitting the election proposal is duly authorized and registered for the Annual General Meeting.

Further explanations regarding the rights of shareholders pursuant to sections 122 para. 2, 126 para. 1, 127 and 131 para. 1 AktG and in conjunction with section 1 para. 2 COVID-19 Related Measures Act have been made available on the MorphoSys AG website at the Internet address www.morphosys.com/agm.

XXI.

Information on data protection for shareholders

MorphoSys AG processes personal data (name, address, email address, number of shares, class of shares, type of ownership of the shares and number of the voting card ("AGM ticket"); if applicable, name, address and email address of the shareholder representative nominated by the respective shareholder) on the basis of the applicable data protection laws in order to enable shareholders to exercise their rights in the context of the virtual Annual General Meeting and to comply with the legal

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provisions of an Annual General Meeting, including the provisions of the COVID-19 Related Measures Act on conducting a virtual Annual General Meeting.

The processing of the personal data of shareholders is mandatory for their participation in the virtual Annual General Meeting. MorphoSys AG is the controller for the processing. The legal basis for the processing is Article 6 para. 1 subsection c) of the General Data Protection Regulation (GDPR).

The service providers of MorphoSys AG, which are commissioned for the purpose of organizing the virtual Annual General Meeting (specifically the shareholders' meeting, IT, printing and shipping service providers), receive from MorphoSys AG only such personal data as are necessary for the performance of the commissioned service and process the data exclusively in accordance with the instructions of MorphoSys AG. In addition, shareholder data may be transferred to authorities entitled to receive such information. Your data will not be transferred to a third country.

If shareholders make use of the opportunity to submit questions in advance of the virtual Annual General Meeting and their questions are dealt with at that meeting, their names may be mentioned. This could be noted by other participants in the virtual Annual General Meeting. This data processing by mentioning the name of the respective shareholder is necessary to protect our legitimate interest in making the virtual Annual General Meeting as similar as possible to a physical Annual General Meeting. The legal basis for this processing is Article 6 para. 1 f) GDPR.

As a matter of principle, shareholders' personal data are deleted or made anonymous as soon as they are no longer required for the aforementioned purposes, and we are not obliged by law to continue the storage of that data.

Shareholders have the right of access, rectification, restriction, objection and deletion with regard to the processing of their personal data at all times, as well as a right to transfer the data pursuant to Article 15 et seq. GDPR. These rights may be exercised free of charge vis-à-vis MorphoSys AG by contacting the email address

datenschutz@morphosys.com

or the following address:

MorphoSys AG
Sammelweisstraße 7
82152 Planegg

In addition, shareholders have a right of appeal vis-à-vis data protection supervisory authorities pursuant to Article 77 GDPR.

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You can reach our company data protection officer at:

MorphoSys AG
Data Protection Officer
c/o intersoft consulting services AG
Beim Strohause 17, 20097 Hamburg
Email: datenschutz@morphosys.com

Further information on data protection can be found on the website of MorphoSys AG at www.morphosys.com/privacy-policy.

Planegg, April 2021

MorphoSys AG

The Management Board