



Declaration of Compliance with regard to the German Corporate Governance Code in the Business Year 2011

At its respective meetings on December 8, 2011 the Board of Management and the Supervisory Board approved the following Declaration of Compliance pursuant to sec. 161 of the German Act on Stock Corporations (AktG):

MorphoSys AG complies and will comply with the recommendations of the German Corporate Governance Code ("Code") – in the version of May 26, 2010 – with the following exceptions:

- The stock option program for the Board of Management does not provide a cap for unforeseen developments within the meaning of Code section 4.2.3, since the reasonableness of the amount of stock options for the Board of Management has already been considered at the time of the grant. However, the stock incentive program for the year 2011 and the following years incorporate the concept of a cap.
- With regard to Code section 5.4.1, in its meeting of March 10, 2011 the Supervisory Board has decided to aim for an adequate representation of women being members of the supervisory board that respective female candidates shall be proposed for election and that at the beginning of the approval of potential candidates qualified women shall be appropriately considered in the appointment procedure. A concrete quota for female members of the Supervisory Board has not been defined since the individual qualification and not the gender of candidates for election to the Supervisory Board shall be the decisive criteria for the composition of the Supervisory Board. With regard to the election to the Supervisory Board that took place in the AGM 2011, the Supervisory Board decided to propose the re-election of the male members Prof. Drews and Dr. Blättler since their biotechnology know-how is needed by the Company; for this reason their re-election was in the prevailing interest of the Company.
- Furthermore, Prof. Drews exceeds the age limit of 75 years defined by the Supervisory Board in its rules of procedure. Insofar, the Company used the possibility as foreseen in the rules of procedure to exceptionally propose an elder candidate for election; the proposal to re-elect Prof. Drews to the Supervisory Board for a further year was in the interest of the board to procure the continuity of its performance.
- The remuneration for the Supervisory Board as resolved in the General Shareholders' Meeting 2010 only provides for fixed remuneration components and no longer for



performance-related remuneration within the meaning of the code sec. 5.4.6. The Company's practice is consistent with the view of an increasing number of experts on Supervisory Board compensation, who regard performance-related payments to board members as potentially giving rise to a conflict of interests in a body whose duties include setting and assessing objectives for the Company's long-term development.

With these exceptions, MorphoSys AG has complied with the German Corporate Governance Code (in its version from May 26, 2010) also in the time period since its Declaration of Compliance of March 10, 2011, respectively December 22, 2010.

Martinsried/Planegg, December 8, 2011

MorphoSys AG

For the Management Board:

Dr. Simon Moroney
Chief Executive Officer

Jens Holstein
Chief Financial Officer

Dr. Marlies Sproll
Chief Scientific Officer

Dr. Arndt Schottelius
Chief Development Officer

For the Supervisory Board:

Dr. Gerald Möller
Chairman