

Code of Conduct

Code of Conduct for all companies and locations of the
MorphoSys Group

Version 1.0



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In all texts, independently of the form used, we always refer to both genders. The regulations are applicable to all companies of the MorphoSys Group (hereinafter referred to as "MorphoSys").

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I. CONFLICTS OF INTEREST

MorphoSys expects its employees to be loyal and handle conflicts of interest in an ethically correct manner. All employees shall avoid situations in which their own personal or financial interests conflict with the interests of MorphoSys.

PERSONAL RELATIONSHIPS

Such a conflict of interests could for example arise when family relations or partnerships exist between employees, and in particular when there is a personal relationship between a superior and an employee. In these cases MorphoSys also has an obligation of care for the employee.

Should such a conflict of interest exist, the Code of Conduct Committee has to be informed accordingly.

OTHER COMPANIES

It is in particular forbidden to acquire shares in the companies of competitors, suppliers or customers or to enter into private business relationships when these can lead to a conflict of interest. Such a conflict is always given when the type and the scope of participation can influence actions in the pursuit of activities for MorphoSys in some way or another. This also applies when close relatives of MorphoSys employees enter into business relationships with MorphoSys or with business partners of MorphoSys upon request of the employee.

CONSULTANCY CONTRACTS

Employees are forbidden from concluding consultancy contracts with competitors, clients, suppliers or close relatives.

BUSINESS RELATIONS

Employees of MorphoSys shall refrain from commissioning persons or companies that at the same time maintain business relations with MorphoSys as this can lead to an impermissible advantage for the employee, the commissioned person and/ or damage for MorphoSys.

No employee may accept direct or indirect advantages (in particular personal presents) – regardless of their form – if it can be reasonably expected that the present can influence business decisions or transactions. Invitations must remain within the boundaries of the hospitality customary in the business.

II. CONFIDENTIALITY AND DATA PROTECTION

CONFIDENTIALITY

The trade and business secrets of MorphoSys represent an essential asset and shall therefore be held confidential. This also applies to other information whose nondisclosure is of interest to MorphoSys, its contractual partners, clients or patients. Such information must not be passed on to unauthorized parties without permission. This obligation is maintained after the termination of the employment relationship.

To determine who is entitled to receive certain information, the company's "A,B,C" classification applies. When information is passed on, the pre-determined group of recipients must be observed. Details are regulated in "Communication System: ABC".

Passwords (e.g. for computers, laptops) must be kept secret; confidential information must be stored securely.

DATA PROTECTION

Personal data may be processed exclusively within the framework of the relevant data-protection regulations. Passing on personal data to third parties is subject to the prior approval of the Data-Protection Officer.

Handling sensitive data (e.g. patient data) is subject to even stricter requirements. Violations involving transfer of sensitive data can also be charged as a criminal offence. Sensitive data must be protected at all times. A transfer of such data to third parties is restricted. In any case personal data may be used only for the purposes for which it was collected.

III. USE OF THE TELEPHONE, E-MAIL AND INTERNET

The private use of the Internet and e-mail is prohibited. The telephone may be used for necessary private phone calls.

When using the Internet, under no circumstances may content be accessed which could violate criminal laws, basic ethical values, which has racist, sexist or pornographic contents, is offensive or can in any other way damage the reputation and the interests of MorphoSys. It is equally prohibited to access any content which could endanger the security of the MorphoSys IT system.

The "IT Policy" regulates the details.

IV. INSIDER REGULATIONS

All employees are obliged to observe all regulations prohibiting insider trading.

The ban comprises:

- the ban on trading, i.e. the ban on acquiring, for one's own account or for the account of a third party, shares of companies using internal information.
- the communication prohibition, i.e. the ban on making internal, share-price relevant information accessible to third parties.
- the recommendation prohibition, i.e. the ban on enticing third parties to trade shares on the basis of internal information.

The details are regulated by the MorphoSys "Insider Guideline".

V. BRIBERY AND CORRUPTION

It is a serious offense throughout the world to accept or grant benefits for the purpose of obtaining a material or immaterial advantage for oneself or a third party without legal basis. In connection with business activities of all types, no employee may seek or provide himself/ herself, business partners, their employees or other third parties (e.g. patients or investigators in clinical studies) with such impermissible advantages.

This is to be assumed in particular whenever the type and scope of said advantage are apt to unduly influence actions and decisions of the recipient. Individual violations of the anti-corruption law can possibly also jeopardize MorphoSys (by affecting the share price, loss of trust, etc.).

Third parties (for example consultants, sponsors, representatives or other intermediaries) must not be used to circumvent these regulations. Any violation of this paragraph V. will lead to a termination of the employment relationship.

VI. OBSERVANCE OF ANTI-TRUST REGULATIONS

MorphoSys AG is committed to fair and open competition on the worldwide markets. Our companies and employees must not engage in any practices which are unlawful and/ or punishable under criminal law, such as for example illegal collusive tendering, which excludes, limits or distorts competition.

VII. CONCLUSION OF CONTRACTS AND DOCUMENTATION OF BUSINESS TRANSACTIONS

1. Employees are entitled only within the framework of the "Representation and Signature Policy" to make binding statements on behalf of MorphoSys.
2. Correct accounting is an essential pre-condition for controlling company decisions, for correct financial statements and for the required information of the public about the financial situation of stock corporations.

All business transactions must therefore be documented in a timely manner, completely and correctly in accordance with the legal regulations and additionally according to the internal MorphoSys regulations. Every employee is committed to this goal.

VIII. DONATIONS AND SPONSORING

MorphoSys does not make any direct or indirect donations to political organizations, parties or individual politicians. Each exception from this rule must be clarified with the Management Board (Vorstand) first. Sponsoring and donations for the benefit of other, non-political recipients must not be used to circumvent the regulations of this Code of Conduct.

IX. HANDLING INTERNAL KNOWLEDGE

All employees are obliged to ensure a rapid and smooth exchange of information within the company. Knowledge that is relevant for our work must not be unduly withheld, falsified or passed on selectively. Information must be passed on correctly and completely to other departments, unless there are valid reasons to do so (for example confidentiality).

From time to time MorphoSys may also be obliged to make internal information public. Subject to other legal requirements, the decision about which information is made public is taken solely by the Chairman of the Management Board (CEO). Details are regulated by the guideline: "External Information Policy".

X. SAFETY AND HEALTH

MorphoSys and its employees must ensure that the working environment is safe and healthy. Therefore it is absolutely necessary that all regulations regarding the protection of employees, all safety regulations and safety practices are strictly followed. Employees are obliged to inform the Code of Conduct Committee of any violation of these principles without delay. Any grievances or misconduct shall be remedied immediately.

XI. RESPECTFUL CONDUCT

It is one of the principles of MorphoSys that all employees of the company, applicants, trainees/ dissertation students, external consultants, external service providers, collaboration partners, clients or the like are treated in a respectful and dignified manner without any exception. Therefore MorphoSys and the employees of MorphoSys do not discriminate based on a person's gender and/or sexual identity, race and/ or ethnic origin, nationality, age, color of skin, religion or philosophy of life or due to a (physical and/ or mental) disability. The details are regulated by the "Equal Treatment Policy".

Any treatment which intends to systematically belittle, exclude or impose unfair pressure on employees either conducted by colleagues or by superiors will not be tolerated by MorphoSys and will lead to legal consequences.

XII. ETHIC PRINCIPLES OF MEDICAL RESEARCH AND MARKETING OF MEDICAL PRODUCTS

Ethical principles shall be observed in any research activities of MorphoSys taking place either internally or commissioned by third parties. This includes the following in particular:

- Clinical studies with humans and observance of the relevant ethical principles such as e.g. observance of the "Declaration of Helsinki".
- The ethical principles and regulations for carrying out animal testing.
- The observance of scientific rules for obtaining research results. In particular the observance of scientific standards in obtaining research results and data. In this respect we follow the recommendations of the commission "Professional self-regulation in science" - proposals for safeguarding good scientific practice (guidelines of the German Research Foundation).
- The correct handling of the publication of scientific studies and of the protection of the data contained in it.
- Compliance with the ethical standards in marketing of medicines.

XIII. MISCELLANEOUS

Among other things, the following regulations are to be observed in conducting a global business:

EXPORT COMPLIANCE

According to the provisions of the EU and the USA, certain countries, organizations or individuals must not be supplied. In this respect MorphoSys is also obliged to ensure the compliance with these provisions up to the supply of the end customer.

EXPORT OF GOODS FOR DIRECT OR INDIRECT MILITARY USE

According to the provisions of many countries (e.g. USA, Great Britain, Germany), the export of goods which can serve (even indirectly) military purposes is subject to strict controls. Permission must be obtained before exporting such goods.

ANTI-BOYCOTT LAWS USA

Prohibiting under threat of high fines business which leads to a discrimination e.g. of the state of Israel. This can be the case e.g. when a business partner from a company, an organization or a representative of a country requests from MorphoSys that certain goods must not originate from Israel, ships must not have been in Israel before, no Israeli employees must be employed, etc.

CHILD LABOR

Internationally there are different regulations regarding the restriction of child labor. MorphoSys does not tolerate situations or business interactions in which either directly or indirectly (e.g. via customers or suppliers) persons under 16 years work regularly. Local provisions are to be observed.

XIV. THE MORPHOSYS CODE OF ETHICS (MORPHOSYS CREDO) IS INCLUDED IN THE ABOVE CODE OF CONDUCT

**OUR COMPANY'S PHILOSOPHY IS PEOPLE-FOCUSED.
OUR STRATEGY IS LONG-TERM ORIENTED AND MARKET-FOCUSED.
ALL OUR EMPLOYEES SUPPORT THESE PRINCIPLES.**

Our goal is to apply our expertise and technologies to build one of the world's leading biotechnology companies. The work of every single employee is important and contributes to increasing the Company's value. Together, we strive for economic success for our Company, our shareholders and our business partners. We use our resources in a purposeful manner to be competitive and profitable, as well as to maintain the best standards of quality and technology. Clear and simple processes enable us to work fast and efficiently and be flexible in any situation.

We deal with all our business partners in a competent, respectful and honest way. We strive to surpass our customers' expectations in cooperation. With our high-quality products we make a decisive contribution to our customers' success. By attending to the needs of our customers, personally and individually, we build long-term trusting relationships, thereby also ensuring our own success.

By encouraging a friendly and open company climate, we create a motivating and pleasant working environment. Within our teams as well as throughout the Company, we support and help each other in achieving our goals. Honesty, trust and respect are the basis of our corporate culture. Questions are addressed objectively and without bias. We judge our actions self-critically. We commit to both giving and accepting constructive criticism and suggestions, as well as to expressing genuine praise. We deal with mistakes constructively, in order to learn from them and thus permanently improve the quality of our work. Information is exchanged completely and as directly as possible. Decisions are communicated openly, at an early stage and with appropriate explanation. We support the Company's progress with commitment and a readiness to learn. We assume responsibility for our actions. Our constant further development and training is actively promoted and supported. The personal situation and social interests of each member of staff are taken into consideration. Our managerial staff provides support and backing, affords the greatest possible freedom for the execution of tasks, and acts in an exemplary manner.

We commit to acting responsibly and to adopting all necessary measures in order to protect the safety of our employees and the environment. With an open communications policy, we create confidence and trust in our interaction with the public.

Our drug development activities are directed at improving patients' lives.

We observe the highest scientific and ethical principles in our conduct of animal studies and human clinical trials. We believe we have a moral responsibility to ensure the welfare and respectful treatment of research animals. When conducting clinical trials in man, the rights, safety and well-being of the trial subjects are of the utmost importance to us.

Our commercial activities are based on measurable objectives. They are directed towards developing competitive products and increasing our Company's value for the benefit of our shareholders, while paying appropriate, performance-related salaries and securing jobs. We have the courage to take decisions and to address and actively deal with differences. Assumption of individual responsibility and acting on one's own initiative are allowed and encouraged.

**THIS CREDO DEFINES THE SPIRIT OF MORPHOSYS.
IT PROVIDES US WITH OBJECTIVES AND ORIENTATION, IS A BINDING PROVISION
FOR ALL OUR ACTIONS, AND CAN BE CALLED UPON BY EVERY SINGLE MEMBER OF
STAFF AT ANY TIME.**

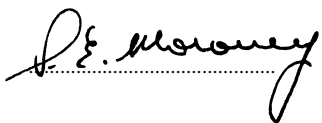
XV. IMPLEMENTATION AND MONITORING OF THE CODE OF CONDUCT

The rules contained in the present guideline form a core part of our corporate culture. The company-wide and uniform observance of these principles is essential - every employee is responsible for this. This however is not intended to limit employees' scope for responsible behavior within the admissible boundaries.

The implementation and monitoring of compliance with the Code of Conduct is conducted by the Code of Conduct Committee. The chairman of the Code of Conduct Committee is the Head of Global Human Resources. The committee comprises three further members of the Senior Management Group which will rotate every two years. The Code of Conduct Committee shall be informed of all violations of the Code of Conduct. The reporting of violations or of suspicious cases can also be done anonymously. Any employee shall report criminal acts or omissions that the employee is or becomes aware of. In the event there are doubts if a certain behavior complies with this Code of Conduct (also one's own behavior), the Code of Conduct Committee can also be contacted at any time. A report is compiled on violations and the result is communicated to the involved parties (perpetrator, reporter and possibly victim of an incident). Detected violations will have consequences.

The Chairman of the Code of Conduct Committee reports to the Management Board of MorphoSys AG once a year or - if necessary - more frequently about examined incidents and the effectiveness of the Code of Conduct.

Only concrete suspicious cases or incidents shall be reported. Denunciation or intentionally false accusations can represent a violation of the present Code of Conduct itself and are not part of the MorphoSys culture.



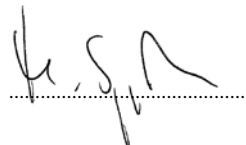
Dr. Simon Moroney
(Chief Executive Officer)



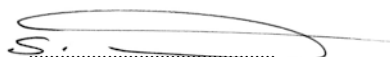
Jens Holstein
(Chief Financial Officer)



Dr. Arndt Schottelius
(Chief Development Officer)



Dr. Marlies Sproll
(Chief Scientific Officer)



Silvia Dermietzel
(Chairwoman of the Code of Conduct Committee)