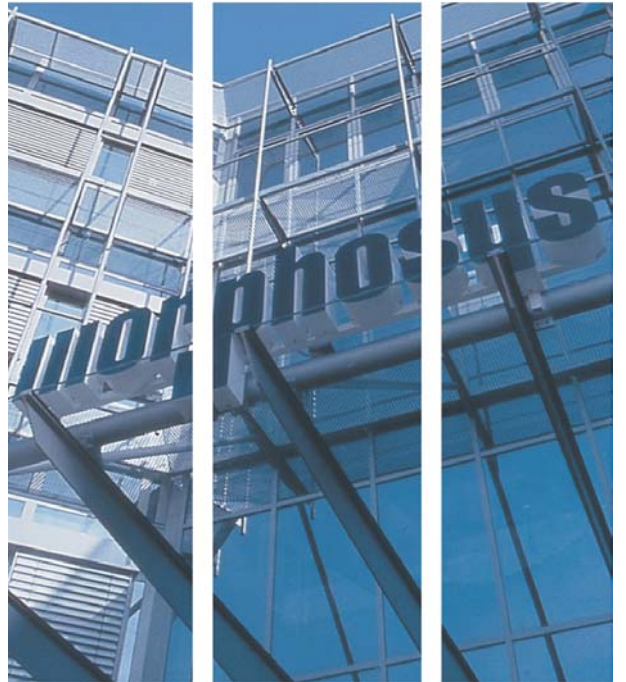


MorphoSys  
Code of Ethics  
December 03



## MORPHOSYS - CODE OF ETHICS

Executive Directors and Financial Managers hold an important and elevated role in corporate governance. As part of the Corporate management team, these individuals are vested with both the responsibility and authority to protect, balance, and preserve the interests of all the enterprise stakeholders, including shareholders, clients, employees, suppliers, and citizens of the communities in which business is conducted. Financial Managers fulfill this responsibility by prescribing and enforcing the policies and procedures employed in the operation of the enterprise's financial organization, and by demonstrating the following:

### I. HONEST AND ETHICAL CONDUCT

Executive Directors and Financial Managers will exhibit and promote the highest standards of honest and ethical conduct through the establishment and operation of policies and procedures that:

- 1.1** Refrain from engaging in any activity that would compromise their professional ethics or otherwise prejudice their ability to carry out their duties to the Company.
- 1.2** Ensure that all relevant staff members understand the Company's open communication and full disclosure standards and processes.
- 1.3** Encourage open communication and full disclosure of financial information by providing a well understood process under which management is kept informed of financial information of importance, including any departures from sound policy, practice, and accounting norms.
- 1.4** Communicate to executive management of the Company and to accountants engaged in financial audits of the Company, all relevant unfavorable as well as favorable information and professional judgments or opinions.
- 1.5** Inform subordinates, as appropriate, regarding the confidentiality of information acquired in the course of their work and monitor, as needed, to ensure that subordinates maintain that confidentiality.
- 1.6** Refrain from disclosing confidential information acquired in the course of their work except where authorized, unless legally obligated to do so.
- 1.7** Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage, either personally or indirectly through others.
- 1.8** Encourage and reward professional integrity in all aspects of the financial organization, by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from the financial organization or the enterprise itself.

## **II. FINANCIAL RECORDS AND PERIODIC REPORTS**

Senior Financial Officers will establish and manage the enterprise transaction and reporting systems and procedures to ensure that:

- 2.1** Business transactions are properly authorized and completely and accurately recorded on the Company' s books and records in accordance with Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), as the case may be, and established company financial policy.
- 2.2** The retention or proper disposal of Company records shall be in accordance with established enterprise financial policies and applicable legal and regulatory requirements.
- 2.3** Periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

## **III. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS**

Senior Financial Officers will establish and maintain mechanisms to:

- 3.1** Educate members of the finance organization about any federal, state or local statute, regulation or administrative procedure that affects the operation of the finance organization and the enterprise generally.
- 3.2** Monitor the compliance of the finance organization with any applicable federal, state or local statute, regulation or administrative rule.
- 3.3** Identify, report and correct in a swift and certain manner, any detected deviations from applicable federal, state or local statute or regulation.

If employees have knowledge or are suspicious of any non-compliance with any section of this Code or are concerned whether circumstances could lead to a violation of this Code, they should discuss the situation with their immediate supervisor. The Chief Financial Officer and any other department(s) may also be contacted for advice and, if the circumstances are such that it would be inappropriate to involve their immediate supervisor, they should contact these departments directly. The Company will not allow any retaliation against a director, officer or employee who acts in good faith in reporting any such violation or suspected violation. Any waiver of this Code for directors, officers or employees may be made only by the CFO and or audit committee and will be promptly disclosed as required.