

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 Annual General Meeting 2014 of MorphoSys AG

We hereby invite the shareholders of our Company to the Annual General Meeting which is taking place on Friday, 23 May 2014 at 10:00 a.m., in the Conference Center Munich, Hanns-Seidel-Stiftung, Lazarettstraße 33, 80636 Munich.

I.

Agenda

- 1. Presentation of the adopted financial statements and the approved consolidated financial statements as of 31 December 2013, the management reports including the report of the Supervisory Board for the 2013 financial year and the explanatory report of the Management Board regarding the disclosures pursuant to section 289 para. 4, 315 para. 4 German Commercial Code (HGB)**

The above mentioned documents are available at the premises of MorphoSys AG in Lena-Christ-Straße 48, 82152 Martinsried/Planegg (the reception of the Company is located at Fraunhofer Straße 20, 82152 Martinsried/Planegg), and may also be downloaded on the internet under www.morphosys.com/agm. They will also be sent to the shareholders upon request. The Supervisory Board has approved the financial statements and consolidated financial statements as drafted by the Management Board; the financial statements are thereby adopted. For this reason, a shareholders' resolution is not required for this agenda item.

- 2. Resolution on the use of the accumulated profit of MorphoSys AG for the 2013 financial year**

The net profit of the 2013 financial year in the amount of € 19,381,105.49 was partially transferred to other earning reserves in the amount of € 5,273,589.40 by virtue of a

resolution of the Management Board and Supervisory Board in accordance with section 21 para. (3) of the Articles of Association. Therefore, a shareholders' resolution is not required with regard to the net profit and therefore not in respect to the aforementioned sentence.

The Management Board and the Supervisory Board recommend carrying forward the accumulated profit of the 2013 financial year in the amount of € 17,222,133.94.

3. Resolution on the formal approval of the activities of the members of the Management Board in respect of the 2013 financial year

The Management Board and the Supervisory Board recommend formally approving the activities of the Management Board members in respect of the 2013 financial year.

4. Resolution on the formal approval of the activities of the members of the Supervisory Board in respect of the 2013 financial year

The Management Board and the Supervisory Board recommend formally approving the activities of the Supervisory Board members in respect of the 2013 financial year.

5. Resolution on the appointment of the auditor for the 2014 financial year

In accordance with the recommendation of its Audit Committee, the Supervisory Board proposes to appoint PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Munich, as auditor of MorphoSys AG and the MorphoSys group for the 2014 financial year and of the interim statement as of 30 June 2014.

6. Resolution on the cancellation of the Conditional Capital 1999-I and the Conditional Capital 2008/II as well as the reduction of Conditional Capital 2003-II; amendments of the Articles of Association

The Company has a Conditional Capital 1999-I. The Conditional Capital 1999-I is set forth in section 5 para. (6a) of the Articles of Association. The Conditional Capital currently exists in the amount of € 70,329.00. Since all options to be serviced from the Conditional Capital 1999-I have been exercised, the Conditional Capital 1999-I is no longer needed and may be cancelled.

The Company has a Conditional Capital 2008/II. The Conditional Capital 2008/II is set forth in section 5 para. (6d) of the Articles of Association. The Conditional Capital 2008/II currently exists in the amount of € 212,077.00. Since all options to be serviced from the Conditional Capital 2008/II have been exercised, the Conditional Capital 2008/II is no longer needed and may be cancelled.

The Company has a Conditional Capital 2003-II. The Conditional Capital 2003-II is set forth in section 5 para. (6c) of the Articles of Association. The Conditional Capital 2003-II currently exists in the amount of € 725,064.00. The Conditional Capital 2003-II is partially no longer needed and may be reduced to € 352,800.00 (which is the maximum amount needed to serve the convertible bonds).

The Management Board and the Supervisory Board thus recommend adopting the following resolution:

a) Cancellation of the Conditional Capital 1999-I

aa) The Conditional Capital 1999-I as provided in section 5 para. (6a) of the Articles of Association shall be cancelled.

bb) Section 5 para. (6a) of the Articles of Association shall be deleted in its entirety.

b) Cancellation of the Conditional Capital 2008/II

aa) The Conditional Capital 2008/II as provided in section 5 para. (6d) of the Articles of Association shall be cancelled.

bb) Section 5 para. (6d) of the Articles of Association shall be deleted in its entirety.

c) Reduction of the Conditional Capital 2003-II

aa) The Conditional Capital 2003-II as provided in section 5 para. (6c) of the Articles of Association shall be reduced from € 725,064.00 to € 352,800.00.

bb) Section 5 para. (6c) first sentence of the Articles of Association is amended as follows:

“(6c) The share capital of the Company is conditionally increased by up to € 352,800.00 through the issuance of up to 352.800 no-par value common shares of the Company (Conditional Capital 2003-II).”

Section 5 the Articles of Association otherwise remains unchanged.

7. Resolution on the creation of a new Authorized Capital 2014-I with the possibility to exclude pre-emptive rights of the shareholders; amendment of the Articles of Association

The previously existing Authorized Capital 2012-II (formerly section 5 para. (6) of the Articles of Association) which was created by the resolution passed at the Annual General Meeting on 31 May 2012 under agenda item 8 has been fully used in the meantime. In order to continue giving the Company's management the appropriate leeway, a new Authorized Capital 2014-I shall be created. The Management Board and the Supervisory Board thus recommend adopting the following resolution:

a) Creation of a new Authorized Capital 2014-I

With the approval of the Supervisory Board, the Management Board shall be authorized to increase the Company's share capital during the time period until and including 30 April 2019, by issuing up to 2,622,088 new no-par-value bearer shares against contributions in cash in the amount of up to € 2,622,088.00 on one or several occasions (Authorized Capital 2014-I).

Shareholders generally have a statutory pre-emptive right. The shares may also be subscribed by one or several credit institutes with the obligation to offer the shares to the shareholders for subscription. However, with the consent of the Supervisory Board, the Management Board shall be authorized to exclude the pre-emptive rights of the shareholders:

- aa) to the extent such exclusion is necessary to avoid fractional shares; or
- bb) if the issue price of the new shares is not substantially below the market price of the already listed shares with the same rights at the time of the final determination of the issue price of the new shares and if the total amount of the new shares issued pursuant to or based on the analogous application of section 186 para. 3, fourth

sentence of the German Stock Corporation Act (*AktG*) in return for cash contributions and for which the shareholders' pre-emptive right is excluded while the authorization is in effect does not exceed 10 % of the share capital, specifically neither on the effective date of this authorization nor at the time this authorization is exercised.

With the approval of the Supervisory Board, the Management Board shall be authorized to determine additional details regarding the capital increase and its execution.

b) Amendment of the Articles of Association

Section 5 para. (6) of the Articles of Association shall be amended as follows:

“(6) With the approval of the Supervisory Board, the Management Board shall be authorized to increase the Company’s share capital during the time period until and including 30 April 2019, by issuing up to 2,622,088 new no-par-value bearer shares against contributions in cash in the amount of up to € 2,622,088.00 on one or several occasions (Authorized Capital 2014-I).

Shareholders generally have a statutory pre-emptive right. The shares may also be subscribed by one or several credit institutes with the obligation to offer the shares to the shareholders for subscription. However, with the consent of the Supervisory Board, the Management Board shall be authorized to exclude the pre-emptive rights of the shareholders:

aa) to the extent such exclusion is necessary to avoid fractional shares; or

bb) if the issue price of the new shares is not substantially below the market price of the already listed shares with the same rights at the time of the final determination of the issue price of the new shares and if the total amount of the new shares issued pursuant to or based on the analogous application of section 186 para. 3, fourth sentence of the German Stock Corporation Act in return for cash contributions and for which the shareholders' subscription right is excluded while the authorization is in effect does not exceed 10 % of the share capital, specifically neither on the effective date of this authorization nor at the time this authorization is exercised.

With the approval of the Supervisory Board, the Management Board shall be authorized to determine additional details regarding the capital increase and its execution.”

8. Resolution on the election of a Supervisory Board member

The Supervisory Board consists of six members pursuant to sections 95, 96 para. 1 of the German Stock Corporation Act and section 8 of the Articles of Association of the Company. Given that the Company is not subject to co-determination, its Supervisory Board comprises solely shareholder representatives. Pursuant to section 8 para (2) of the Articles of Association of the Company, the Supervisory Board's members are elected for a period ending at the latest at the end of the General Meeting resolving on the formal approval of the activities of the Supervisory Board for the fourth financial year after the term of office commenced. The financial year in which the term of office begins shall not be counted.

With the conclusion of the Annual General Meeting on 23 May 2014, the term of office of the Supervisory Board member Dr. Walter Blättler expires. Hence, the Annual General Meeting must elect a new Supervisory Board member. The Annual General Meeting is not bound by election proposals. Following the proposal of its Remuneration and Nomination Committee, the Supervisory Board recommends electing Dr. Walter Blättler as follows:

Dr. Walter Blättler, currently active as independent business consultant in life science, residing in Brookline, Massachusetts, USA, shall be elected as member of the Supervisory Board. The term of office is effected until the conclusion of the Annual General Meeting that will resolve on the formal approval of the activities of the Supervisory Board for the 2014 financial year (presumably the Annual General Meeting 2015). A detailed curriculum vitae of Dr. Blättler is available on the website of the Company under www.morphosys.com/company/management/supervisory-board.

Dr. Walter Blättler is neither a member of the statutory Supervisory Board of any other company nor a member of a comparable national or foreign company board.

According to the assessment of the Supervisory Board, Dr. Walter Blättler does not have a personal or business relationship with MorphoSys AG, its group companies or executive bodies of MorphoSys AG that would have to be disclosed according to section 5.4.1 para. 4 of the German Corporate Governance Code. The disclosure of a personal or business

relationship with a shareholder holding a material interest in MorphoSys AG in accordance with section 5.4.1 para. 6 of the German Corporate Governance Code is not required, as MorphoSys AG has no such shareholder.

Subject to the exemption listed in the Declaration of Conformity of the Company as of 6 December 2013 (<http://www.morphosys.com/media-investors/corporate-governance/declaration-of-compliance>), the candidate proposal takes the objectives resolved by the Supervisory Board regarding its composition according to section 5.4.1 para. 2 of the German Corporate Governance Code into account.

9. Resolution regarding the authorization to purchase treasury shares pursuant to Section 71 para. 1 no. 8 of the German Stock Corporation Act and to use treasury shares with the possibility to exclude pre-emptive rights of the shareholders

The Management Board and the Supervisory Board recommend adopting the following resolution:

- a) The Company shall be authorized to purchase treasury shares until and including 30 April 2019 up to a maximum of 10 % of the share capital existing at the date the resolution is passed or – if the relevant amount is lower – the share capital existing at the time the authorization is exercised. The purchased treasury shares together with other treasury shares that are already in the possession of the Company, or allocable to it pursuant to Sec. 71a et seq. of the German Stock Corporation Act, may at no time exceed 10 % of the share capital of the Company. This authorization may not be used for the purpose of trading in treasury shares. The authorization may be exercised once or several times, in whole or in partial amounts, in pursuit of one or several purposes by the Company itself or by a business entity controlled by or majority owned by the Company or by third parties for the account of the Company. The authorization to purchase and use treasury shares resolved by the Annual General Meeting on 19 May 2011 under agenda item 7 shall be cancelled upon the new authorization becoming effective.
- b) At the discretion of the Management Board, the purchase may be effected on the stock market or by means of a public offer or a public solicitation to submit sales offers.
 - aa) If the shares are purchased on the stock market, the price paid per share by the Company (excluding incidental costs) may not be more than 10 % higher or 20 % lower than the market price. The relevant market price is thereby the market price of

the shares of the Company as determined on the respective trading day in the opening auction of the XETRA trading systems (electronic trading system of Deutsche Börse AG) or a comparable successor system.

- bb) If the shares are purchased by means of a public offer or solicitation to submit sales offers, the purchase price or the limits of the price range per share (excluding incidental costs) may not be more than 10 % higher or 20 % lower than the average closing price in the Xetra trading system (electronic trading system of Deutsche Börse AG) or a comparable successor system, on the three trading days prior to the date of the public announcement of the offer or solicitation to submit sales offers. If, after announcement of a public offer or solicitation to submit sales offers, the relevant market price is subject to substantial changes, the offer or solicitation to submit sales offers may be amended. In this case the price is based on the average price on the three trading days prior to the public announcement of an amendment. The public offer or solicitation to submit sales offers may specify further conditions. If the offer is oversubscribed or, in the case of a solicitation to submit sales offers, not all of several equal offers can be accepted, the shareholders' right to tender may be excluded insofar as the acceptance is effected in proportion to the accordingly tendered shares or in proportion to the purchase price determined for the accordingly offered shares (respectively at a purchase price that is below the determined purchase price). Furthermore, a preferred acceptance of a limited number of offered shares of up to 100 shares per shareholder can be stipulated, and – in order to avoid fractional shares – the number of shares may be rounded according to commercial principles.

- c) The Management Board is authorized to use the treasury shares for all legally permissible purposes, in particular also for the following purposes:
 - aa) The shares may be redeemed without such redemption or its execution requiring any further resolution of the General Meeting. They may also be redeemed by simplified procedure without capital reduction by adjusting the calculated proportional amount of the remaining shares in the Company's share capital. The redemption may be restricted to a portion of the purchased shares. The authorization to redeem shares may be used several times.

- bb) The shares may also be sold by other means than on the stock market or by offer to the shareholders if the shares are sold in return for cash at a price which is not substantially below the market price of the already listed shares with the same rights at the time of disposal. The number of shares sold this way may not exceed 10 % of the share capital, specifically neither on the effective date of this authorization nor at the time this authorization is exercised. This limit shall include shares issued or sold pursuant to or based on the analogous application of section 186 para. 3, fourth sentence of the German Stock Corporation Act during the effectiveness of this authorization. This limit further includes shares that were or have to be issued to settle obligations under convertible bonds or warrant bonds, provided that such bonds were issued during the effectiveness of this authorization pursuant to an analogous application of section 186 para. 3 fourth sentence of the German Stock Corporation Act.

- cc) The shares may be sold for contributions in kind, including in particular in connection with the acquisition of companies, company units or company investments as well as company mergers.

- dd) The shares can be used to fulfil subscription and conversion rights arising from the exercise of option and/or conversion rights or conversion obligations, respectively, for shares in the Company. To the extent that treasury shares are to be transferred to the members of the Company's Management Board, this authorization is to be exercised by the Supervisory Board.

- ee) The shares may be offered or transferred to employees of the Company and affiliated companies as well as to members of the Management Board of the Company and affiliated companies to fulfil commitments regarding rights or obligations to acquire shares of the Company that are or were granted to employees as well as members of the Management Board of the Company and its affiliated companies. The shares may in particular also be used to settle obligations or rights to acquire shares of the Company, which are agreed with employees or members of the Management Board of the Company and its affiliated companies within the framework of employee participation programs. If members of the Management Board of the Company are beneficiaries, the Supervisory Board is responsible for selecting the beneficiaries and determining the volume of shares to be granted to them.

- d) The authorizations in paragraph c) also cover the use of treasury shares of the Company that were purchased under previous authorizations of the Annual General Meeting pursuant to section 71 para.1 no. 8 of the German Stock Corporation Act or that were acquired in any other way.
- e) The authorizations in paragraph c) may be used once or several times, in whole or in part, individually or jointly, whereas the authorizations under paragraph c) bb) to ee) may also be used by business entities controlled or majority-owned by the Company or by third parties acting for their account or for the account of the Company.
- f) The shareholders' pre-emptive rights in respect of these treasury shares are excluded to the extent that the shares are used in accordance with the above authorizations under paragraph c) bb) to ee).

10. Resolution regarding the remuneration of the Supervisory Board

According to section 15 para. (1) of the Articles of Association, the Supervisory Board members are entitled to receive an appropriate annual remuneration in addition to the reimbursement of their expenses. On 31 May 2012, the Annual General Meeting resolved on the remuneration of the Supervisory Board members under agenda item 9, which remuneration shall now be partially adjusted.

The adjustment only refers to the remuneration of the committee chair and to the attendance fees for the members of the Supervisory Board and committees. For transparency, the complete resolution regarding the remuneration of the Supervisory Board as resolved in the Annual General Meeting on 31 May 2012 (agenda item 9) shall be revised, even if the remuneration of the Supervisory Board is only partially amended.

The Management Board and the Supervisory Board recommend adopting the following resolution on the remuneration of the Supervisory Board pursuant to section 15 para. (1) of the Articles of Association:

The resolution of the Annual General Meeting on 31 May 2012 shall be revised as follows:

- a) For the 2014 financial year, the Supervisory Board members shall receive the following cash remuneration:

- aa) a flat fee in the amount of € 85,400.00 p.a. for the chairman of the Supervisory Board, € 51,240.00 p.a. for the vice chairman of the Supervisory Board and € 34,160.00 p.a. for the other Supervisory Board members (each plus VAT, if any);
- bb) in addition, € 4,000.00 (plus VAT, if any) for the chairman of the Supervisory Board for each Supervisory Board meeting chaired and € 2,000.00 (plus VAT, if any) for the other Supervisory Board members for each Supervisory Board meeting attended.
- cc) in addition, the Supervisory Board members shall receive the following flat fees (plus VAT, if any) for their membership in committees:
 - the chairman of a committee € 12,000.00 p.a.;
 - the other committee members each € 6,000.00 p.a.
- dd) in addition, the Supervisory Board members in their capacity as members of a committee shall receive an amount of € 1,200.00 each (plus VAT, if any) per such committee meeting attended.
- b) The remuneration pursuant to the preceding paragraphs a) aa) and cc) shall become due in equal tranches on a quarterly basis and the payments pursuant to the preceding paragraphs a) bb) and dd) shall become due at the end of the quarter in which the relevant meeting took place.
- c) The provisions defined in the paragraphs a) and b) shall also apply for the Supervisory Board remuneration and its due dates in the following financial years, unless the Annual General Meeting resolves otherwise.

II.

Written report of the Management Board on agenda item 7 pursuant to section 203 para. 2 second sentence in conjunction with section 186 para. 4 second sentence of the German Stock Corporation Act

In accordance with section 203 para. 2 second sentence in conjunction with section 186 para. 4 second sentence of the German Stock Corporation Act, the Management Board issues the following written report to the Annual General Meeting convened on 23 May 2014 with respect to the resolution proposal under agenda item 7 regarding the creation of a new Authorized Capital 2014-I with the right to exclude pre-emptive rights of the shareholders.

This report also serves to inform the Annual General Meeting about new shares that have been issued through exercising the formerly existing and in the meantime utilized Authorized Capital 2012-II, which was created by a resolution of the Annual General Meeting on 31 May 2012. The Management Board herein also reports about new shares that have been issued by excluding the pre-emptive rights of shareholders on the basis of the aforementioned authorization in the time period since the last Annual General Meeting.

1. Report on the utilization of the previous Authorized Capital 2012-II

On 31 May 2012, the Annual General Meeting under agenda item 8 authorized the Management Board, with the approval of the Supervisory Board, to issue up to 2,311,216 new shares on one or several occasions with the possibility to exclude pre-emptive rights of shareholders (Authorized Capital 2012-II). The Company has fully utilized this authorization by issuing 2,311,216 new shares until the invitation to this year's Annual General Meeting was published in the Federal Gazette.

In the framework of the executed MOR202 alliance with Celgene Corporation on 10 August 2013, the Management Board with the approval of the Supervisory Board resolved on a capital increase from Authorized Capital 2012-II, whereby 797,150 new shares were issued to Celgene Alpine Investment Co., LLC at a purchase price of € 57.90 per share. This represented about 3.4 % of the Company's registered share capital of € 23,358,228.00 at that point in time and a premium of 5.0 % on the share's closing price on 9 August 2013. Compared with the share price of MorphoSys AG of € 37.18 per share immediately prior to signing and subsequent publication of the

MOR202 alliance in the evening of 26 June 2013, the achieved purchase price even corresponds to a premium of about 56 %.

In the framework of the executed private placement on 19 September 2013, the Management Board with the approval of the Supervisory Board resolved on a capital increase from Authorized Capital 2012-II, whereby 1,514,066 new shares were issued to institutional investors at a purchase price of € 55.76 per share. This represented about 6.3 % of the Company's registered share capital of € 24,155,378.00 at that point in time. The purchase price of € 55.76 per share corresponded to the closing price of the shares on 18 September 2013, and, thus, this capital increase from Authorized Capital 2012-II was executed at the then current market value without discount.

2. Previous Authorized Capital 2012-II and reason for the new Authorized Capital 2014-I

The Management Board and the Supervisory Board propose authorizing the Company's management to issue new shares by virtue of a new Authorized Capital 2014-I, since the authorization to issue new shares under the previously existing Authorized Capital 2012-II has been used completely in the meantime. To provide the Company with the necessary flexibility, a new Authorized Capital 2014-I shall be created, which authorizes the Company's management to increase the Company's share capital during the time period until and including 30 April 2019, by issuing up to 2,622,088 new no-par-value bearer shares against contributions in cash in the amount of up to € 2,622,088.00 on one or several occasions.

3. The new Authorized Capital 2014-I, the attendant benefits for the Company and the exclusion of pre-emptive rights

The proposed authorization to issue new shares making use of the Authorized Capital 2014-I shall enable the Management Board, with the approval of the Supervisory Board, to respond to financing requirements in the context of implementing strategic decisions. Especially with regard to the current economic environment, a quick and flexible financing instrument is necessary and in the interest of both the Company and its shareholders. With the approval of the Supervisory Board, the Management Board shall continue to be authorized to provide the Company with new equity. Such a treasury resolution is nationally and internationally common.

In order to comply with these needs, a new Authorized Capital 2014-I shall be created. Thereby, the Management Board shall continue to have, with the approval of the Supervisory Board, the Company's shares at its disposal in a flexible manner and within the legal framework according to section 202 para. 3 of the German Stock Corporation Act.

This resolution proposal provides the authorization to exclude the legally provided pre-emptive rights of the shareholders when issuing shares from the authorized capital in certain cases which are defined in the proposal:

- a) The exclusion of the pre-emptive rights of the shareholders pursuant to paragraph aa) of agenda item 7 a) and 7 b) is permitted to avoid fractional shares. The authorization to exclude pre-emptive rights for the purpose of using fractional shares is necessary to procure a reasonable allocation ratio in all cases of a capital increase and shall only serve the purpose of allowing round sums when using the authorized capital. Fractional shares are created if not all new shares can equally be distributed to the shareholders because of the given allocation ratio or the amount of the capital increase. Without such authorization, a capital increase would in such cases create technical difficulties at the issuance of the new shares. The costs for trading of pre-emptive rights connected to fractional shares would be out of proportion compared to the potential benefits for the shareholders. The new shares issuing without pre-emptive rights of the shareholders with regard to fractional shares are sold over the stock exchange (if possible) or otherwise brought to the market in the best possible way for the Company. The potential dilution effect is low as it is limited to fractional shares.
- b) Furthermore, the Management Board shall be authorized pursuant to paragraph bb) of agenda item 7 a) and 7 b) to exclude pre-emptive rights according to section 186 para. 3 fourth sentence of the German Stock Corporation Act in the full amount of the Authorized Capital 2014-I, provided that the issue price of the new shares is not substantially below the market price of the already listed shares with the same rights at the time of the final determination of the issue price of the new shares. This exclusion of pre-emptive rights as provided for by law enables the Company's management to exploit favorable opportunities in the stock market as they arise and achieve the highest possible issue price in order to strengthen the Company's equity to the greatest extent possible by setting an issue price that closely tracks the market. Experience shows that such a capital increase results in a greater inflow of

funds due to the ability to react more quickly than a comparable capital increase that includes shareholders' pre-emptive rights. Such a capital increase is thus in the best interest of both the Company and its shareholders. While it may result in lower relative shareholdings and a lower relative voting interest of existing shareholders, shareholders wanting to maintain their relative shareholdings and their relative voting interest nevertheless have the option to purchase the number of shares required to this end in the stock market. The amount of the new Authorized Capital 2014-I complies with the parameters of section 186 para. 3 fourth sentence of the German Stock Corporation Act, whereby an exclusion of the pre-emptive rights is permitted if the capital increase against contribution in cash does not exceed 10 % of the share capital, specifically neither on the effective date of this authorization nor at the time this authorization is exercised and the issue price of the new shares is not substantially below the market price. Other capital measures which also provide for an exclusion of pre-emptive rights pursuant to or based on the analogous application of section 186 para. 3 fourth sentence of the German Stock Corporation Act must be considered.

The maximum exclusion of pre-emptive rights under the Authorized Capital 2014-I comprises approximately 10 % of the share capital registered in the commercial register of the lower court of Munich at the time of convening this Annual General Meeting and can therewith lead to a maximum dilution of approximately 10 % in relation to this share capital.

By taking into consideration all above described circumstances, the Management Board and the Supervisory Board qualify the exclusion of the pre-emptive rights in the aforementioned cases as reasonable and adequate for the explained reasons. This is also true with regard to the dilution effects the shareholders may suffer.

The Management Board will report to the Annual General Meeting about each use of the Authorized Capital 2014-I.

Written report of the Management Board on agenda item 9 pursuant to section 71 para. 1 no. 8 in conjunction with section 186 para. 4 second sentence of the German Stock Corporation Act

In accordance with section 71 para. 1 no. 8 fifth sentence in conjunction with section 186 para. 4 second sentence of the German Stock Corporation Act, the Management Board issues the following written report to the Annual General Meeting convened on 23 May 2014 with respect

to the resolution proposal under agenda item 9 regarding the authorization pursuant to section 71 para. 1 no. 8 to purchase treasury shares with the authorization to exclude pre-emptive rights if the treasury shares are disposed of.

This report also serves to inform the Annual General Meeting in accordance with section 71 para. 3 first sentence of the German Stock Corporation Act about treasury shares that have been purchased through exercising the existing authorization to purchase treasury shares pursuant to section 71 para. 1 no. 8 of the German Stock Corporation Act, which was created by a resolution of the Annual General Meeting on 19 May 2011. The Management Board herein also reports on the disposal of treasury shares by excluding the pre-emptive rights of shareholders on the basis of the above mentioned authorization.

1. Report on the utilization of the previous authorization to purchase treasury shares

By virtue of the authorization to purchase treasury shares pursuant to the resolution of the Annual General Meeting on 19 May 2011 under agenda item 7, the Company has acquired a total of 370,994 treasury shares on the stock exchange until the time of publication of this year's invitation to the Annual General Meeting in the Federal Gazette. The acquired shares correspond to a prorated amount of the registered share capital of € 370,994; this amounts to about 1.4 % of the registered share capital of the Company at the time of convening this Annual General Meeting. The purchase occurred between 1 June 2011 and 3. June 2011, 6 June 2011 and 10 June 2011, 2 April 2012 and 5 April 2012, 10 April 2012 and 13 April 2012, 16 April 2012 and 17 April 2012, 23 April 2013 and 26 April 2013, 29 April 2013 and 3 May 2013, 4 March 2014 and 7 March 2014 as well as 10 March 2014 and 11 March 2014 and particularly served to cover and secure for the Company's remuneration plans (so called Long Term Incentive Program) for employees and members of the Management Board. The purchase price for the above mentioned 370,994 shares (not including incidental acquisition costs) in total amounted to € 14,232,187.87; this represents an average purchase price of about € 38,36 per share. The Company holds 450,890 own shares at the publication of this year's invitation to the Annual General Meeting in the Federal Gazette. This amounts to about 1.7 % of the share capital of the Company at the time of convening this Annual General Meeting.

On the basis of the previous authorization dated 19 May 2011, no treasury shares have been disposed of by the Company until the publication of this year's invitation to the Annual General Meeting in the Federal Gazette.

2. Previous authorization and reason for the new authorization according to section 71 para. 1 no. 8 of the German Stock Corporation Act

Under agenda item 9, the Management Board and the Supervisory Board recommend to again authorize the Company to purchase treasury shares in the legally permitted amount. Such authorization shall be granted for the time period until and including 30 April 2019.

Pursuant to this new authorization the Company shall retain the long-term flexibility, which was already granted by the previous authorization, to maintain the appropriate leeway for the Company. The new authorization shall replace the previous authorization to purchase treasury shares. The previous authorization has been partially used as described above and would expire on 30 April 2016.

3. New Authorization according to para. 71 section 1 no. 8 of the German Stock Corporation Act, the attendant benefits for the Company and the exclusion of preemptive rights

The proposed authorization at this year's Annual General Meeting under agenda item 9 for the acquisition of treasury shares may be exercised in whole or in part, once or several times, by the Company itself or by a business entity controlled by or majority owned by the Company. The authorization may also be exercised by third parties acting for the account of the Company or for the account of business entities controlled by or majority owned by the Company.

At the discretion of the Company, the acquisition of treasury shares may be effected on the stock market or by means of a public offer or solicitation to submit sales offers. Thereby, the principle of equal treatment of shareholders as established in the German Stock Corporation Act must be observed.

The proposed acquisition of shares on the stock exchange or by means of a public offer complies with this principle. If a public offer is oversubscribed, instead of in proportion to the respective shareholders' share in the share capital, the acceptance may also be effected in proportion to the number of shares tendered by each shareholder or – in case of a solicitation to submit sales offers– the number of the shares tendered by the shareholders at the relevant purchase price (or at a purchase price that is below the relevant purchase price). Since acceptance rates which result from the acceptance in relation to the proportion of the tendered shares can differ from the acceptance rates that

would result from an acceptance in proportion to the respective shareholders' share in the share capital, this in principal does limit the rights of the shareholders to tender. However, this facilitates the technical implementation of the offer, as the relevant acceptance rate is easily determined by the number of the tendered shares (at the relevant purchase price or at a purchase price that is below the relevant purchase price). In particular, a security-like booking ("*wertpapiermäßige Einbuchung*") of the tender rights in all shareholders' accounts in proportion to their respective shareholding in the Company is not necessary for the execution of the offer. At the same time, by effecting the acceptance in proportion to the accordingly tendered shares a procedure is applied which also serves the equal treatment of shareholders, so that the interests of the shareholders are adequately preserved. Furthermore, a preferred acceptance of a limited number of offered shares of up to 100 shares per shareholder can be stipulated, and – in order to avoid fractional shares – the number of shares may be rounded according to commercial principles. Firstly, this allows for avoiding fractional amounts in determining the acceptance rates, which will facilitate the technical implementation of the offer. Secondly, the preferred acceptance of small portions may also be used to avoid small and generally uneconomical residual amounts and connected therewith a factual discrimination of minor shareholders. The deviations which are caused by this process with regard to the not preferred accepted shareholdings compared to the acceptance quotas that they would otherwise receive are generally small, so that also in this regard interests of shareholders are adequately preserved.

Under agenda item 9, the Company shall also be authorized to resell the acquired treasury shares of the Company. The treasury shares purchased on the basis of this or earlier authorizations may be used for all legally permissible purposes, including in particular for the following purposes:

The treasury shares may be redeemed without such redemption requiring any further resolution of the General Meeting. In accordance with section 237 para. 3 no. 3 of the German Stock Corporation Act, the General Meeting may resolve to redeem the fully paid-up no-par-value shares without having to reduce the Company's share capital. This alternative is expressly included in the proposed authorization alongside the redemption in conjunction with a capital reduction. When shares are redeemed without capital reduction, the calculated proportional amount of the remaining shares in the Company's share capital is automatically increased.

The proposed resolution further contains an authorization to sell the acquired treasury stock by other means than on the stock market in return for cash by excluding pre-emptive rights. Precondition is that the shares are sold at a price which is not substantially below the market price of the already listed shares with the same rights at the time of disposal. Shareholders then generally have the possibility to maintain their participation quota through purchasing shares on the stock market. In this respect, this authorization makes use of the simplified exclusion of pre-emptive rights as permitted pursuant to section 71 para. 1 no. 8 of the German Stock Corporation Act in conjunction with the analogous application of section 186 para. 3 fourth sentence of the German Stock Corporation Act. To protect shareholders against dilution, the shares may only be sold at a price which is not substantially below the prevailing market price. The final price for the treasury stock will be determined shortly before the sale. The Management Board will ensure that any discount to the market price according to the market conditions prevailing at the time of placement is as low as possible. The discount to the market price at the time of using the authorization will not exceed 5 % of the then prevailing market price. The authorization further ensures that pursuant to it, based on section 186 para. 3 fourth sentence of the German Stock Corporation Act, shares may only be sold or issued with the exclusion of pre-emptive rights up to the maximum limit of 10 % of the share capital to the extent shares have not already been issued or sold with the exclusion of pre-emptive rights during the effectiveness of this authorization, pursuant to or based on the analogous application of section 186 para. 3 fourth sentence of the German Stock Corporation Act. The limit further includes shares that were and/or have to be issued to settle obligations under convertible bonds or warrant bonds, provided that such bonds were issued during the effectiveness of this authorization based on the analogous application of section 186, para. 3 fourth sentence of the German Stock Corporation Act. The authorization also is in the interests of the Company as it enables greater flexibility. In particular, it allows the Company to issue shares to co-operation partners on a targeted basis.

The treasury stock may also be sold for contributions in kind by excluding pre-emptive rights. This allows the Company to offer treasury stock directly or indirectly as consideration in the context of company mergers or in connection with the acquisition of companies, company units or investments in companies. International competition and the globalization of the economy often demand a consideration in the form of shares in transactions of this kind. The proposed authorization provides the Company with the requisite leeway to rapidly and flexibly make use of opportunities which arise to acquire companies, company units or make investments in companies on both national and

international markets. The proposed exclusion of pre-emptive rights takes this into account. In determining the valuation ratios, the Management Board will ensure that the interests of shareholders are appropriately preserved. In assessing the value of the shares granted by the Company as equivalent, the Management Board will be guided by the market price of the Company's shares. It is not planned to establish a schematic link with one particular stock market price, in particular in order to ensure that negotiating results already achieved cannot be jeopardized by fluctuations in the stock market price.

The authorisation further enables the Company to acquire treasury shares to be utilized to fulfil subscription and/or conversion rights respectively conversion obligations for shares in the Company. The proposed resolution does not create a new authorisation to issue convertible bonds or warrant bonds. The only purpose is to enable the Company's management to fulfil subscription or conversion rights that were or are issued on the basis of other authorisations with treasury shares instead of utilizing conditional capital, if this is deemed to be in the interest of the Company. If members of the Company's Management Board of the Company are beneficiaries, this authorization is to be exercised by the Supervisory Board.

The treasury shares may also be issued to employees of the Company and affiliated companies. In addition, treasury shares may also be issued to members of the Management Board of the Company and affiliated companies. This in particular enables the Company to offer treasury shares as part of the compensation and to use these shares in the framework of long-term incentive programs that are or will be implemented by the Company. The issuance of treasury shares to employees as well as to the Management Board is in the interests of the Company and its shareholders as it promotes their identification with the Company and thereby increases the value of the Company. The use of existing treasury shares as a share-price-related and value-based compensation component, rather than the use of shares of a capital increase or instead of a cash payment, may also be economically meaningful for the Company. For this, shareholders' pre-emptive rights must be excluded. Insofar as the issuance of treasury shares to Management Board members requires the approval of the Supervisory Board of the relevant Company, treasury shares shall only be offered after the prior approval of the Supervisory Board.

The aforementioned options to use this authorization are not restricted to shares purchased under this or an earlier authorization. Rather, this authorization also includes

shares acquired by the Company by other means. It is advantageous and creates further flexibility if these shares can be used in the same way as the shares purchased under this authorization.

The Management Board will inform the next Annual General Meeting about the exercise of the authorization and of the use of the shares acquired by virtue of this authorization.

III.

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

At the time of convening this Annual General Meeting, the share capital of the Company comprises 26,293,382 no-par-value bearer shares. Each share corresponds to one vote. At the time of convening the Annual General Meeting, the Company holds treasury stock amounting to 450,890 shares. The Company has no rights in respect of these shares. The total number of shares bearing participation and voting rights at the time of convening the Annual General Meeting amounts to 25,842,492.

IV.

Conditions for participating in the Annual General Meeting and exercising voting rights

According to article 17 para. (1) of the Articles of Association shareholders who have registered with the Company and verified their shareholdings shall be entitled to participate in the Annual General Meeting and exercise their voting right. The registration and evidence of shareholdings must be provided in German or English and received by the Company by the close of

16 May 2014

(24:00 hours CEST)

at the following postal address, fax number or e-mail address:

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany

Fax: +49 (0)89 / 889 690 633
E-Mail: anmeldung@better-orange.de

The evidence of shareholdings must be provided by means of a confirmation in text form (section 126 b of the German Civil Code (*BGB*)) prepared by the depository bank. Such evidence must refer to the beginning of the twenty-first day before the Annual General Meeting, i.e. to

2 May 2014

0:00 hours CEST (record date)

Better Orange IR & HV AG is the Company's agent authorized to receive both the registration and the evidence of shareholdings.

Upon the Company's timely receipt of the registration, including the evidence of shareholdings, the admission tickets for the Annual General Meeting will be sent to the relevant shareholders or deposited at the place where the meeting is to take place. The tickets are just organizational aids and not a precondition for participating in the Annual General Meeting or exercising voting rights. To ensure the timely receipt of the tickets, we kindly ask shareholders to demand their tickets to the Annual General Meeting from the depository bank as early as possible.

V.

Significance of the record date

The record date is the date that determines whether shareholders are entitled to participate and exercise voting rights in the Annual General Meeting. With respect to participation in the Annual General Meeting or exercising voting rights, only those individuals will be deemed to be shareholders of the Company who have submitted evidence that they owned the shares at the record date. Shareholders who acquired their shares after the record date are not entitled to participate and exercise voting rights in the Annual General Meeting, unless they have been authorized or empowered to exercise legal rights. Shareholders who have properly registered and provided evidence of their shareholdings are therefore also entitled to participate in the Annual General Meeting and to exercise voting rights if they sell the shares after the record date. The record date does not result in blocking the potential transfer of shares. The record date is not relevant for a potential dividend entitlement.

VI.

Procedure for voting via postal mail

Shareholders being unable to participate in the Annual General Meeting in person may also cast their vote by postal mail. Only those shareholders having timely registered for the Annual General Meeting and provided evidence of shareholdings (see above number IV. "Conditions for participating in the Annual General Meeting and exercising voting rights") are entitled to exercise the voting right by postal mail. The voting by postal mail is either made in writing or by way of electronic communication. The form for voting by postal mail is provided to the shareholders together with the admission ticket, which is sent to the shareholders following the above described registration including receipt of the evidence of shareholdings in due form and in due time. It is also available for download on the internet under www.morphosys.com/agm. The votes cast via postal mail must reach the Company by the close of

22 May 2014

(24:00 hours CEST)

at the following postal address, fax number or e-mail address (e.g. as scanned document e.g. as a pdf file):

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

Better Orange IR & HV AG is the Company's agent authorized to receive votes cast via postal mail.

VII.

Procedure for voting by authorisation

Shareholders may also have their voting right(s) exercised by a proxy, e.g. by a financial institution, an association of shareholders, the proxies appointed by the Company or any other

third party. Timely registration for the Annual General Meeting and timely submission of evidence of shareholdings is also required if shareholders choose to vote by proxy (see above number IV. "Conditions for participating in the Annual General Meeting and exercising voting rights"). If the shareholder grants the power of proxy to more than one person, the Company may refuse one or several of them.

If neither a bank nor a shareholders' association, nor a person or an institution considered equivalent pursuant to section 135 para. 8 of the German Stock Corporation Act or section 135 para. 10 of the German Stock Corporation Act in conjunction with section 125 para. 5 of the German Stock Corporation Act is appointed, then appointing a proxy or revoking such appointment and evidencing it to the Company must be made in text form (section 126 b of the German Civil Code).

For granting a proxy to financial institutions, shareholders' associations, or other persons or institutions considered equivalent pursuant to section 135 para. 8 of the German Stock Corporation Act or section 135 para. 10 of the German Stock Corporation Act in conjunction with section 125 para. 5 of the German Stock Corporation Act, a formal requirement is neither required by law nor by the Articles of Association. However, the entities or persons to be appointed as proxies in these cases may require a special form of proxy because section 135 para. 1 second sentence of the German Stock Corporation Act (in conjunction with section 135 para. 8 German Stock Corporation Act or section 135 para. 10 in conjunction with section 125 para. 5 of the German Stock Corporation Act, if applicable) requires them to record such authorizations in a verifiable way. Hence we request that shareholders coordinate with the entities or persons to be appointed as proxies in regards to the form of the proxy.

The proxy itself may furnish evidence of appointment as such on the day of the Annual General Meeting on site.

Evidence of proxy may also be transmitted to the following postal address, fax number or e-mail address (e.g. as scanned document e.g. as a pdf file):

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany

Fax: +49 (0)89 / 889 690 655
E-Mail: morphosys@better-orange.de

Better Orange IR & HV AG is the Company's agent authorized to receive the evidence of proxy.

A form pursuant to section 30 a para. 1 no. 5 of the German Securities Trading Act (WpHG) that can be used to grant proxies is included on the back of the admission ticket, which will be sent to the shareholders following the registration including receipt of the evidence of shareholdings in due form and in due time (see above number IV. "Conditions for participating in the Annual General Meeting and exercising voting rights"); the form is also available for download on the internet under www.morphosys.com/agm.

The Company offers its shareholders the option of having the Company-appointed proxies represent them at the Annual General Meeting pursuant to their instructions. These proxies will exercise the voting rights solely in accordance with the instructions they receive from the shareholders and are obliged to vote according to the instructions; they cannot exercise the voting rights at their own discretion. The Company-appointed proxies will not accept power of attorney to raise objections against resolutions of the Annual General Meeting, to exercise the right to speak and to ask questions or to propose motions.

Additional information on voting by proxy as well as a form that shareholders may use to appoint and instruct the Company-appointed proxies will be sent to the shareholders along with their admission ticket following the above described registration, including receipt of the evidence of shareholdings in due form and in due time (see above number IV. "Conditions for participating in the Annual General Meeting and exercising voting rights"); and is also available for download on the internet under www.morphosys.com/agm. Evidence that the Company-appointed proxies have been appointed along with the instructions shall due to organizational reasons be received no later than the end of

22 May 2014
(24:00 hours CEST)

at the following postal address, fax number or e-mail address (e.g. as scanned document e.g. as a pdf file):

MorphoSys AG
c/o Better Orange IR & HV AG

Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 / 889 690 655
E-Mail: morphosys@better-orange.de

Better Orange IR & HV AG is the Company's agent authorized to receive the Company-appointed proxies.

In addition, shareholders and shareholders' representatives attending the Annual General Meeting will also have the option to appoint the Company-appointed proxies during the Annual General Meeting and have them exercise their voting right as instructed.

VIII.

Requests to supplement the agenda by a minority pursuant to section 122 para. 2 of the German Stock Corporation Act

Shareholders whose shares reach in the aggregate the amount of 5 % of the share capital (which corresponds to 1,314,669 shares) or the total nominal amount of € 500,000.00 - corresponding to 500,000 shares - may request that items are added to the agenda and published. Every request for a new agenda item must be accompanied by an explanation of the reasons therefor or a proposed resolution. The request must be sent in writing to the Management Board of MorphoSys AG and must reach the Company 30 days before the Annual General Meeting at the latest, i. e. by the close of

22 April 2014
(24:00 hours CEST)

at the following postal address:

MorphoSys AG
The Management Board
Lena-Christ-Str. 48
82152 Martinsried/Planegg
Germany

Applicants shall evidence that they have owned a sufficient number of shares for the legally required minimum period of ownership of three months (sections 122 para. 2, 122 para. 1 third sentence, 142 para. 2 second sentence of the German Stock Corporation Act and section 70 of the German Stock Corporation Act) and that they will continue to hold them until a decision on their request has been made.

Unless already announced at the time the Annual General Meeting was convened, supplements to the agenda that must be published shall be published immediately after receipt of the corresponding motion in the Federal Gazette and shall be furnished for publication to such media as may be expected to disseminate the information throughout the European Union. Moreover, they shall be published on the internet under www.morphosys.com/agm.

IX.

Counter-motions pursuant to section 126 para. 1 of the German Stock Corporation Act and election proposals pursuant to section 127 of the German Stock Corporation Act

In addition, the Company's shareholders may send counter-motions to proposals of the Management Board and/or the Supervisory Board concerning specific agenda items as well as election proposals in connection with the election of Supervisory Board members or auditors. All counter-motions shall be accompanied by an explanation of the reasons for them. Counter-motions, election proposals and other inquiries from shareholders regarding the Annual General Meeting may only be sent to the following address:

MorphoSys AG
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany
Fax: +49 (0)89 / 889 690 666
E-Mail: antraege@better-orange.de

Counter-motions and election proposals sent to any other address will not be considered. Better Orange IR & HV AG is the Company's agent authorized to receive counter-motions and election proposals.

Counter-motions and election proposals arriving with evidence of shareholder status at the above postal address, fax number or e-mail address until 14 days before the date of the Annual General Meeting, i. e. by no later than the close of

8 May 2014
(24:00 hours CEST)

will immediately after receipt be made available to other shareholders on the internet under www.morphosys.com/agm together with the name of the shareholder and the underlying reasons if the other requirements for publication pursuant to section 126 of the German Stock Corporation Act are fulfilled. Any statements by the Company's management will be published likewise under the same internet address.

Pursuant to section 127 second sentence of the German Stock Corporation Act, the proposal of a shareholder in regards to the election of Supervisory Board members or auditors does not need to be justified. In addition to the reasons specified in section 126 para. 2 of the German Stock Corporation Act, the Management Board does not have to publish an election proposal which does (amongst others) not contain the name, exercised profession and domicile of the candidate. Proposals concerning the election of Supervisory Board members need not even be made available if they are not accompanied by information on the proposed candidate's appointments to other statutory supervisory boards as defined in section 125 para. 1 fifth sentence of the German Stock Corporation Act.

Please be advised that counter-motions and proposals for elections which have been submitted to the Company in time and ahead of the Annual General Meeting shall only be considered in the Annual General Meeting if they are also submitted orally in the Annual General Meeting.

The right of each shareholder to submit counter-motions to the various items of the agenda, election proposals of Supervisory Board members and auditors at the Annual General Meeting, even without having submitted them to the Company in advance and in time, is not affected hereby.

X.

Shareholder right to information pursuant to section 131 para. 1 of the German Stock Corporation Act

Every shareholder or shareholder representative may ask the Management Board at the Annual General Meeting to provide information on matters pertaining to the Company, to the extent that

such information is necessary for making a reasonable assessment of an agenda item and provided there is no statutory right to refuse to provide the information requested.

The obligation to provide information also applies to the legal and business relationship of the Company to an affiliate, to the situation of the Company Group and to the companies included in the consolidated financial statements.

All such requests for information must in principle be made orally at the Annual General Meeting. The Management Board may deny answering single questions if the circumstances set forth in section 131 para. 3 of the German Stock Corporation Act apply, in particular because – according to reasonable business judgement – providing the information is likely to cause substantial damages to the Company or to an affiliate.

Pursuant to section 19 para. (4) of the Articles of Association, the Chairman of the Annual General Meeting may restrict the time a shareholder has the right to speak and to ask questions as appropriate.

XI.

Publication on the website / Further information

The convening of the Annual General Meeting, all documents and information that have to be made available pursuant to section 124 a of the German Stock Corporation Act, motions of shareholders as well as further information and additional explanations on shareholders' rights pursuant to section 122 para. 2, section 126 para. 1, section 127, section 131 para. 1 of the German Stock Corporation Act are also available on the website of the Company under www.morphosys.com/agm. All documents which have to be made available to the shareholders are also available for inspection in the Annual General Meeting itself.

The voting results will be published under the same website address after the Annual General Meeting.

Martinsried/Planegg, April 2014

MorphoSys AG

The Management Board