

Rules of Procedure of the Supervisory Board of MorphoSys AG

The supervisory board (the “**Supervisory Board**”) of MorphoSys AG (the “**Company**”) hereby adopts the following rules of procedure (hereinafter “**Rules of Procedure**”) which shall replace all previous rules of procedure of the Supervisory Board:

§ 1 General Provisions

The Supervisory Board regularly advises and supervises the management board of the Company (the “**Vorstand**”) in its management of the Company and its affiliates.

- 1) The Supervisory Board fulfils its duties in accordance with the law, the articles of association of the Company (the “**Articles of Association**”) and these Rules of Procedure. The recommendations of the German Corporate Governance Code pertaining to the Supervisory Board shall be observed, unless otherwise stated in the current declaration of conformity of the Supervisory Board and the *Vorstand*.
- 2) The members of the Supervisory Board (hereinafter “**Supervisory Board Members**”) shall have the same rights and duties and are not bound by any directions or instructions. They are, however, bound by the Company’s best interests.
- 3) The Supervisory Board currently consists of seven members who are exclusively representatives of the shareholders of the Company. The Company is not subject to the rules of co-determination.
- 4) The Supervisory Board shall examine the efficiency of its activities once a year.

§ 2 Election of the Chairman and the Vice Chairman

- 1) The Supervisory Board shall elect from among its members a chairman (hereinafter “**Chairman**”) and his representative (hereinafter “**Vice Chairman**”).
- 2) The Vice Chairman takes the place of the Chairman in all cases in which the Chairman is unable to act, unless the Articles of Association specify otherwise. In all cases in which the Vice Chairman acts as the representative of the Chairman, the Vice Chairman has the same rights and duties as the Chairman.
- 3) The Chairman and Vice Chairman are elected for their respective term of office. In case the Chairman or the Vice Chairman steps down during the term of office, a new Chairman/Vice Chairman shall be elected for the remaining term of office of the retiring member. Such election shall take place without undue delay.

§ 3
Members of the Supervisory Board

- 1) The Supervisory Board has to be composed in such a way that its members as a group possess the knowledge, ability and expert experience required to properly complete its tasks and that a sufficient degree of independence is ensured.
- 2) The Supervisory Board specifies concrete objectives regarding its composition and establishes a profile of skills and expertise for the entire Supervisory Board and its members. In this respect, the applicable corporate governance rules and regulations, including German, EU and U.S. rules and regulations, shall be taken into account.
- 3) Proposals to the annual general meeting for appointments of candidates for the Supervisory Board shall comply with the requirements described in the preceding paragraphs.

§ 4
Meetings

- 1) The Supervisory Board shall hold at least two meetings per calendar half-year. Additional meetings shall be convened if necessary. A meeting shall also be convened if requested by a member of the Supervisory Board or the *Vorstand* by indicating the purpose and the reason to the Chairman.
- 2) Meetings are convened by the Chairman in accordance with Section 10 of the Articles of Association and by observing a convocation period of at least two weeks. In urgent cases the convocation period may be abbreviated to two days, and, with the consent of all Supervisory Board Members, to less than two days.
- 3) The invitation shall specify the items on the agenda. Proposals for resolutions on items on the agenda shall be announced with sufficient time and in sufficient specification prior to the meeting in order to enable absent members or members who neither participate nor are connected via telephone or via other customary electronic means of communication to cast their votes. In particular with respect to transactions requiring the approval of the Supervisory Board, the relevant documents shall be provided in due time prior to the meeting. Proposals for resolutions by individual members of the Supervisory Board or the *Vorstand* which are received before the agenda is sent out, shall be placed on the agenda. Notice of any additions to the agenda must be given by the third day prior to the meeting at the latest, unless later notification is justified by urgent circumstances.
- 4) The meeting is chaired by the Chairman. The venue of the meeting shall be at the place of business of the Company or at any other place which is announced in the invitation. The meetings shall be held in English.
- 5) The members of the *Vorstand* shall attend the meetings of the Supervisory Board, unless otherwise decided by the Chairman. All or individual members of the *Vorstand* shall also attend the meetings of a committee, if decided by the relevant committee concerned.

§ 5
Passing of Resolutions

- 1) Resolutions are generally passed in meetings. However, it is also permitted to pass resolutions in writing, by telegraph, by phone or by telefax or by any other means of common communication media (e.g. video conference, e-mail, Diligent Messenger, etc.).
- 2) Unless otherwise provided by law or the Articles of Association, resolutions of the Supervisory Board shall be passed by a simple majority of the votes cast. The procedure of voting shall be determined by the Chairman. Secret voting shall take place if one member of the Supervisory Board demands so. In the event of a tie vote the Chairman of the Supervisory Board has the decisive vote.
- 3) To the extent to which declarations of intent or documents must be made, received or signed on behalf of the Supervisory Board, the Chairman shall act for the Supervisory Board.

§ 6
Confidentiality

- 1) Each member of the Supervisory Board is obliged not to disclose any confidential information or secrets of the Company, especially business and trade secrets, of which a member became aware in the capacity as member of the Supervisory Board. This duty not to disclose shall also apply after the term of office as member of the Supervisory Board. As soon as the term of office has expired, upon request of the Company all confidential documents and similar data have to be returned to the Company or destroyed.
- 2) If a member of the Supervisory Board wishes to disclose to a third party any information of which the respective member became aware during the activity for the Company, the respective member must inform the Chairman in advance.

§ 7
Conflicts of Interest

- 1) Each member of the Supervisory Board shall immediately disclose to the Supervisory Board any conflicts of interest. The disclosure procedure shall be agreed upon with the Chairman.
- 2) In its report, the Supervisory Board shall inform the annual general meeting of any conflicts of interest which have occurred and shall illustrate how such conflicts of interest have been dealt with.
- 3) Material conflicts of interest and those which are not merely temporary in respect to the person of a Supervisory Board member shall result in the termination of his mandate.

§ 8
Committees

- 1) The Supervisory Board may constitute committees (hereinafter

“**Committees**”). Currently, the following Committees have been established: the Audit Committee, the Remuneration & Nomination Committee and the Science & Technology Committee.

- 2) The Committees shall fulfill the duties, which are delegated to it by a resolution of the Supervisory Board.
- 3) The Supervisory Board appoints a member of the Committee as its chairman.
- 4) The chairman may consult members of the Supervisory Board which are not members of the Committee concerned. The Supervisory Board members may attend any Committee meeting.
- 5) For each Committee a charter resolved upon by the Supervisory Board further defines the duties of the respective Committee.

§ 9 Committee Meetings

- 1) A Committee meeting shall be convened by its chairman. The Committee shall be convened as often as reasonably necessary. A meeting shall also be convened if a member of a Committee so requests by indicating the purpose and the reason to the respective chairman of such Committee.
- 2) The regular convocation period shall not be less than two weeks. In urgent cases the convocation period may be abbreviated to two days. With the consent of all members of the Committee, the convocation period may be abbreviated to less than two days. Such consent can also be given subsequently to the respective meeting and can also be submitted via e-mail, by other means of common communication media or secure messaging software.

§ 10 Ability to Pass Resolutions, Procedure

- 1) In cases where the Supervisory Board has authorized a Committee to adopt a decision instead of the Supervisory Board, such Committee has a quorum if at least three Committee members participate in the passing of the resolution.
- 2) In cases when a Committee makes a recommendation that is subject to the approval of the Supervisory Board, Committees have a quorum if at least two Committee members participate in the passing of a resolution.
- 3) Unless expressly otherwise provided by law or these Rules of Procedure, these Rules of Procedure shall also apply to Committees.

§ 11 Audit Committee

- 1) The Audit Committee is responsible for, in particular, matters concerning accounting and the supervision of the accounting process, the effectiveness of the internal control system, the compliance management system, the risk management and risk management system as well as the internal audit system.
- 2) The Audit Committee handles the monitoring of the audit of the annual financial

statements and the consolidated annual financial statements as well as the audit review of the half-year financial report, in particular, the required independence of the auditor, the preparation of the issuance of the audit mandate to the auditor, the determination of auditing focal points, the additional services rendered by the auditor, the preparation of the fee agreement, and otherwise oversees the accounting and financial reporting processes of the Company. If the audit engagement is put out to tender, the Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the auditor which comprises at least two candidates.

- 3) The Audit Committee is authorized to (i) approve investments in marketable securities/assets according to § 9 paragraph (3) of the rules of procedure of the *Vorstand*, (ii) approve non-audit services of the audit company as outlined in Appendix I of the Charter of the Audit Committee (“Guideline for General (Pre-) Approval for Non-Audit Services of the Audit Company”), (iii) revise and adopt Appendix I of the Charter of the Audit Committee (“Guideline for General (Pre-) Approval for Non-Audit Services of the Audit Company”) for each financial year, (iv) recommend to the Supervisory Board the auditor to be appointed by the annual general meeting for the audit of the Company’s financial statements and consolidated financial statements as well as for the audit review of the half-year financial report, which recommendation will be followed by the Supervisory Board in its recommendation to the annual general meeting, (v) approve the engagement letter including audit fees and auditing focal points with the auditor appointed by the Annual General Meeting for the audit of the Company’s financial statements and consolidated financial statements as well as for the audit review of the half-year financial report and to approve additional services rendered by such auditor including fees for such additional services not already covered by (ii) and (iii) above, and (vi) retain any independent counsel or other consultants or advisers in accordance with the Charter of the Audit Committee.
- 4) The Audit Committee is further authorized to revise and adopt Appendix I of the Charter of the Audit Committee (“Guideline for General (Pre-) Approval for Non-Audit Services of the Audit Company”) for each financial year and to replace Appendix I of the Charter of the Audit Committee accordingly.

§ 12

Remuneration & Nomination Committee

- 1) The Remuneration & Nomination Committee proposes suitable Supervisory Board candidates to the Supervisory Board for recommendation to the annual general meeting. The Remuneration & Nomination Committee is further responsible for preparing resolutions of the Supervisory Board with respect to personnel matters and personnel development of Executive Board Members.
- 2) The Remuneration & Nomination Committee is authorized to retain a compensation consultant, independent legal counsel or other adviser in accordance with the Charter of the Remuneration & Nomination Committee.

§ 13
Science & Technology Committee

The Science & Technology Committee is responsible to technically review and discuss technology development efforts of the Company, in particular its research, discovery and development activities with respect to the establishment of a proprietary antibody drug pipeline (including related in-licensing and M&A activities).

§ 14
Minutes of Meetings, Professional Advice

- 1) The meetings and resolutions (including resolutions passed outside of a meeting) of the Supervisory Board and its Committees shall be recorded in writing.
- 2) The chairperson of the meeting shall adopt the minutes of the meeting. The minutes shall at least state the place and date of the meeting, the persons attending, the items on the agenda and the resolutions passed. The minutes shall be signed by the chairperson of the meeting.
- 3) A copy of the Supervisory Board meeting minutes will be circulated to all Supervisory Board Members.
- 4) A copy of the Committee meeting minutes will be circulated to the respective Committee members for approval. After having obtained such approval, copies of the minutes of the Committee meetings will be circulated to all Supervisory Board Members for information. The Supervisory Board shall be notified regularly of the work and the outcome of the deliberations in the Committees as far as such information is necessary in addition to the circulation of the minutes of the Committee meetings.
- 5) The Supervisory Board and each Committee may investigate any activity and seek any information it requires within the respective scope of duties allocated to it. The Supervisory Board and each Committee may also obtain outside legal or other independent professional advice if it considers it necessary within the respective scope of duties allocated to it.

Planegg, this December 17, 2019

Dr. Marc Cluzel
Chairman of the Supervisory Board