

MorphoSys AG  
Planegg  
Security identification number: 663200  
ISIN: DE0006632003

**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 2022 Virtual Ordinary Annual General Meeting of MorphoSys AG**

We hereby invite our shareholders to the Ordinary Annual General Meeting of MorphoSys AG, Planegg, to be held on Wednesday, May 18, 2022, at 2:00 p.m. (CEST). Due to the ongoing COVID-19 pandemic, this year's Annual General Meeting, as in the previous year, will be held as a virtual meeting without the physical presence of shareholders or their proxies, except for the proxies nominated by the Company.

The Annual General Meeting, as per the definition of the German Stock Corporation Act (Aktiengesetz [AktG]), will be held at the Company's corporate headquarters located at Semmelweisstrasse 7, 82152 Planegg, Germany. Shareholders and their proxies (with the exception of the Company's proxies) have no right or opportunity to be physically present at the location of the Annual General Meeting. The entire Annual General Meeting will be visually and audibly transmitted live for duly registered shareholders and their proxies through the password-protected web service that can be accessed via the Company's website at [www.morphosys.com/agm](http://www.morphosys.com/agm). Even for shareholders who have authorized third parties, the shareholders' voting rights are to be exercised exclusively by electronic voting by mail or by granting power of attorney and issuing instructions to the proxies nominated by the Company.

**I.**

**Agenda**

- 1. Presentation of the adopted financial statements and the approved consolidated financial statements as of December 31, 2021; the management reports, including the report of the Supervisory Board for the 2021 financial year; and the Management Board's explanatory report regarding the disclosures pursuant to sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch [HGB])**

The above documents are available to download from the Internet at [www.morphosys.com/agm](http://www.morphosys.com/agm). They can also be sent to shareholders free of charge immediately upon request. The Supervisory Board has approved the annual financial statements and consolidated financial statements prepared by the Management Board; the annual financial statements are thus adopted. No resolution is therefore required on this agenda item.

- 2. Resolution on the discharge of Management Board members for the 2021 financial year**  
The Management Board and the Supervisory Board propose to discharge the Management Board members for the 2021 financial year.

**3. Resolution on the discharge of Supervisory Board members for the 2021 financial year**

The Management Board and the Supervisory Board propose to discharge the Supervisory Board members for the 2021 financial year.

**4. Resolution on the appointment of the auditor for the 2022 financial year**

At the recommendation of its Audit Committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, be elected as auditor of the annual financial statements and consolidated financial statements for the 2022 financial year and as the auditor for the review of the half-year financial report as of June 30, 2022, pursuant to section 115 para. 5 of the German Securities Trading Act (Wertpapierhandelsgesetz [WpHG]).

**5. Resolution on the election of a member of the Supervisory Board**

The Supervisory Board consists of six members pursuant to sections 95 and 96 para. 1 AktG and Article 8 para. 1 of the Company's Articles of Association. As the Company is not subject to co-determination, its Supervisory Board is comprised solely of shareholder representatives. Pursuant to section 102 para. 1 AktG and Article 8 para. 2 of the Company's Articles of Association, Supervisory Board members are elected for a period ending no later than the end of the Annual General Meeting in which the discharge of the Supervisory Board for the fourth financial year after commencing the term of office is resolved. The financial year in which the term of office begins shall not be counted.

The term of office of Supervisory Board member Ms. Wendy Johnson will end at the close of the Annual General Meeting on May 18, 2022. It is not necessary to reappoint any other member of the Supervisory Board as their terms of office are still in effect. Therefore, one member of the Supervisory Board must be elected. Ms. Wendy Johnson has stated that she will not be available for re-election. In her place, Mr. Andrew Cheng is proposed to be elected as a member of the Supervisory Board with effect from the end of the Annual General Meeting on May 18, 2022. The election proposal is in accordance with § 95 sentence 3 AktG.

Based on the above, and in accordance with the proposal of its Remuneration and Nomination Committee, the Supervisory Board proposes that Mr. Andrew Cheng be elected as member of the Supervisory Board. Mr. Andrew Cheng will be elected with effect from the end of the Annual General Meeting on May 18, 2022. His appointment shall be made for the period until the end of the Annual General Meeting which resolves on the discharge of the Supervisory Board for the second financial year after the beginning of the term of office, not including the financial year in which the term of office begins (presumably until the end of the ordinary Annual General Meeting in 2025):

Mr. Andrew Cheng

Profession: President and CEO of Akeru Therapeutics, Inc.

Residence: Burlingame, California, USA

Mr. Andrew Cheng is a member of a statutory supervisory board at the companies listed below under (i) or a member of a comparable domestic and foreign supervisory body of a commercial enterprise at the companies listed under (ii):

(i) None

(ii) Vera Therapeutics, Inc., Brisbane, California, USA (listed), Member of the Board of Directors;

Arbutus Biopharma Corporation, Warminster, Pennsylvania, USA (listed), Member of the Board of Directors (Mr. Cheng will leave Board of Directors of Arbutus Biopharma Corporation on May 25, 2022)

A detailed resume of Mr. Andrew Cheng can be viewed online at [www.morphosys.com/agm](http://www.morphosys.com/agm).

In accordance with the German Corporate Governance Code, the proposed candidate will ensure that he has sufficient time to perform his duties; in addition, the Supervisory Board has satisfied itself that the proposed candidate can devote the expected amount of time.

The proposed candidate does not have any personal or business relationship with MorphoSys AG or its group companies or the corporate bodies of MorphoSys AG, which would have to be disclosed pursuant to the German Corporate Governance Code. A disclosable personal or business relationship with a shareholder with a material interest in MorphoSys AG as defined by the German Corporate Governance Code does not come into consideration, as MorphoSys AG has no such shareholder. Furthermore, all members of the Supervisory Board of MorphoSys AG are independent per definition of the German Corporate Governance Code.

The election proposal takes into account the objectives resolved by the Supervisory Board for its composition and aims to fulfill the competence profile, the women's quota and the diversity concept developed by the Supervisory Board for the entire body. These objectives were last adopted by the Supervisory Board on July 8, 2020 and are published together with the status of implementation in the Corporate Governance Statement for the 2021 financial year, which is contained in the 2021 Annual Report and on the Company's website.

The proposed candidate as well as the Supervisory Board members not standing for re-election are familiar in their entirety with the sector in which the Company operates. As a member of the Supervisory Board, Mr. Michael Brosnan has expertise in the field of accounting and auditing and the Supervisory Board members Krisja Vermeylen and Sharon Curran, who are also not up for re-election, have expertise in the field of auditing.

**6. Resolution on the reduction of the Conditional Capital 2016-III, on the reduction of the Conditional Capital 2020-I and on the reduction of the Authorized Capital 2019-I; Amendments to the Articles of Association**

The company has the Conditional Capital 2016-III. The Conditional Capital 2016-III is contained in § 5 (6g) of the Company's Articles of Association. Currently, the Conditional Capital 2016-III still exists in the amount of € 737,045.00. The Conditional Capital 2016-III is now partially no longer required and can be reduced to € 532,025.00 (the maximum amount still required to service the issued conversion or option rights). There are no beneficiaries who could oppose the reduction of the Conditional Capital 2016-III.

The company has the Conditional Capital 2020-I. The Conditional Capital 2020-I is contained in § 5 (6i) of the Company's Articles of Association. Currently, the Conditional Capital 2020-I still exists in the amount of € 1,314,615.00. The Conditional Capital 2020-I is now partially no longer needed and can be reduced to € 507,668.00 (the maximum amount still required to service the issued conversion or option rights). There are no beneficiaries who could oppose the reduction of the Conditional Capital 2020-I.

The company has the Authorized Capital 2019-I. The Authorized Capital 2019-I is contained in § 5 (6h) of the Company's Articles of Association. Currently, the Authorized Capital 2019-I still exists in the amount of € 159,197.00. The Authorized Capital 2019-I is now partially no longer required and can be reduced to € 88,961.00 (the maximum amount required for the delivery of shares of the Company to service under the Company's Restricted Stock Unit Program (RSUP) exclusively to officers and employees (including directors and officers) of MorphoSys US Inc. in accordance with the RSUP).

The Executive Board and Supervisory Board therefore propose that the following resolutions be adopted:

**a) Reduction conditional capital 2016-III**

- i. The Conditional Capital 2016-III contained in § 5 (6g) of the Company's Articles of Association will be reduced from € 737,045.00 to € 532,025.00.

- ii. § 5 (6g) sentence 1 of the Articles of Association of the Company shall be amended as follows:

*"The Company's share capital has been conditionally increased by up to € 532,025.00 through the issuance of up to 532,025 new no-par value bearer shares (Conditional Capital 2016-III)."*

b) Reduction conditional capital 2020-I

- i. The Conditional Capital 2020-I contained in § 5 (6i) of the Company's Articles of Association will be reduced from € 1,314,615.00 to € 507,668.00.
- ii. § 5 sec. 6i sentence 1 of the articles of association of the company shall be amended as follows:

*"The Company's share capital has been conditionally increased by up to € 507,668.00 through the issuance of up to 507,668 new no-par value bearer shares (Conditional Capital 2020-I)."*

c) Reduction of Authorized Capital 2019-I

- i. The Authorized Capital 2019-I contained in § 5 (6h) of the Company's Articles of Association will be reduced from € 159,197.00 to € 88,961.00.
- ii. § 5 para. 6h sentence 1 of the Articles of Association of the company shall be amended as follows:

*"The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital against cash and/or non-cash contributions once or several times by a total of up to € 88,961.00 by issuing up to 88,961 new no-par value bearer shares (Authorized Capital 2019-I) until April 30, 2024 (inclusive)."*

**7. Resolution on the creation of a new Authorized Capital 2022-I under exclusion of subscription rights for the purpose of servicing "Restricted Stock Units" to be issued to senior managers and employees (including directors and officers) of U.S. subsidiaries of the Company under a "Restricted Stock Unit Program"; Amendment to the Articles of Association**

The Management Board intends, with the consent of the Supervisory Board, to resolve on a further "Restricted Stock Unit Program" to function as a long-term, share-based remuneration component for senior managers and employees (including directors and officers) of U.S. subsidiaries of the Company (the "RSUP" or "Restricted Stock Unit Program"). The RSUP is intended to be substantially similar to the existing Restricted Stock Unit Programs of the Company, which are in place for senior managers and employees (including directors and officers) of MorphoSys US Inc.

An attractive and competitive remuneration program is essential for the recruitment and long-term commitment of highly qualified employees. Pursuant to the RSUP, the Company shall be allowed to grant so-called "Restricted Stock Units" ("RSUs") to beneficiaries, which – if certain requirements are met – grant the beneficiaries a claim against the Company for a cash payment depending on the stock exchange price of the shares of the Company. However, the terms and conditions of the RSUP shall include a substitution right of the Company, permitting it to fulfill the payment claims of RSU beneficiaries by delivering shares instead of cash. In order for the Company to be able to issue new shares in such case, and to fulfill the payment claims of the respective beneficiaries when due, a new authorized capital (Authorized Capital 2022-I) shall be created.

The Management Board and the Supervisory Board therefore propose to resolve as follows:

a) Creation of an Authorized Capital 2022-I under exclusion of subscription rights

The Management Board is authorized, with the consent of the Supervisory Board, until 17 May 2027 (including) to increase the Company's registered share capital by up to € 1,978,907.00 against cash contributions and/or contributions in kind once or several times by issuing up to 1,978,907 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) (Authorized Capital 2022-I).

The subscription rights of shareholders are excluded. The Authorized Capital 2022-I serves the purpose of delivering shares of the Company against the contribution of payment claims resulting from Restricted Stock Units (RSUs) in order to fulfill RSUs that were granted in accordance with the terms and conditions of a Restricted Stock Unit Program of the Company (RSUP) exclusively to senior managers and employees (including directors and officers) of U.S. subsidiaries of the Company.

The issue price of the new shares must amount to at least € 1,00 and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP. The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation from section 60 para. 2 AktG, also participate in the profit of an already completed fiscal year provided that the shareholders' meeting has not already resolved on the profit participation for such fiscal year when the new shares are issued.

b) Amendment of section 5 of the Articles of Association of the Company

Section 5 of the Articles of Association of the Company shall be supplemented by a new paragraph 6 lit. j as follows:

“(6 j) The Management Board is authorized, with the consent of the Supervisory Board, until 17 May 2027 (including) to increase the Company's registered share capital by up to € 1,978,907.00 against cash contributions and/or contributions in kind once or several times by issuing up to 1,978,907 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien*) (Authorized Capital 2022-I).

The subscription rights of shareholders are excluded. The Authorized Capital 2022-I serves the purpose of delivering shares of the Company against the contribution of payment claims resulting from Restricted Stock Units (RSUs) in order to fulfill RSUs that were granted in accordance with the terms and conditions of a Restricted Stock Unit Program of the Company (RSUP) exclusively to senior managers and employees (including directors and officers) of U.S. subsidiaries of the Company.

The issue price of the new shares must amount to at least € 1,00 and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP. The Management Board is authorized to determine the further details of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation from section 60 para. 2 AktG, also participate in the profit of an already completed fiscal year provided that the shareholders' meeting has not already resolved on the profit participation for such fiscal year when the new shares are issued.”

**8. Resolution on the approval of the remuneration system for the members of the Management Board**

Pursuant to section 120a para. 1 of the German Stock Corporation Act (“AktG”) in its version applicable since January 1, 2020, the General Meeting of MorphoSys AG resolves upon the approval

of the remuneration system for the members of the Management Board in case of any material change to the remuneration system, but at least every four years.

The Annual General Meeting 2021, which took place on May 19, 2021, last resolved upon a remuneration system for the members of the Management Board of MorphoSys AG. Majority consent was not reached. In accordance with section 120a para. 3 AktG, the Supervisory Board, with the support of its Remuneration and Nomination Committee and in permanent dialogue with investors and proxy advisors, has therefore intensively reviewed and revised the remuneration system, thereby taking into consideration the concerns of the shareholders of MorphoSys AG. The Supervisory Board in particular made the following changes:

- The right of the Supervisory Board to grant special bonus payments in case of an extraordinary performance of the members of the Management Board has been cancelled.
- The right of the Supervisory Board to take into account extraordinary developments has been limited to the right to decrease the variable remuneration in such case.
- The disclosure of the performance targets for the variable remuneration is now made in an even more transparent and comprehensive way. In addition, the Supervisory Board has limited its discretionary power in the determination of performance targets for the annual bonus to the extent that the remuneration system now provides for concrete target categories, within which the Supervisory Board will define the performance targets for the annual bonus for each financial year.
- The structure of the long-term variable remuneration has been simplified, even more reinforcing the long-term alignment with the interests of the shareholders and supporting sustainable performance.

The Supervisory Board proposes – based on the recommendation of its Remuneration and Nomination Committee – to approve the reviewed and revised remuneration system for the members of the Management Board of MorphoSys AG as described below and as adopted by the Supervisory Board with effect as of June 1, 2022.

#### **A. Basic principles of the remuneration system for the members of the Management Board of MorphoSys AG**

The remuneration system for the members of the Management Board significantly contributes to the promotion of the business strategy and the long-term development of MorphoSys AG. By structuring the remuneration as fixed remuneration on the one hand and short-term variable (Short-Term Incentive, STI) and long-term variable (Long-Term Incentive, LTI) remuneration on the other hand, the remuneration system creates an incentive for results-oriented and sustainable corporate management. The remuneration of the members of the Management Board is based on the performance of the Management Board as a whole, the contribution of the individual members of the Management Board to the promotion of the Company's goals, and the business success of MorphoSys AG. The amount of the long-term variable remuneration of the members of the Management Board depends, amongst others, on the development of the share price of the share of MorphoSys AG, thereby linking the interests of the members of the Management Board with those of the shareholders. The fixed integration of non-financial and, in particular, ESG objectives into the remuneration structure also incentivizes sustainable and future-oriented action and aims to create value for all employees and shareholders of MorphoSys AG as well as for society. After the successful acquisition of Constellation Pharmaceuticals, Inc., MorphoSys AG has an even bigger footprint in the USA and also operates to a large extent in the US-market. The members of the Company's Management Board are therefore also largely recruited internationally with broad European and US experience. Against this background, the remuneration system is also structured in a way that allows the Supervisory Board to take into account international compensation practices regarding the remuneration of the members of the Management Board in order to ensure, that the Company attracts the best and most qualified candidates for a position in the Company's Management Board.

In designing the remuneration system, the Supervisory Board was guided in particular by the following principles:



The remuneration system for the members of the Management Board of MorphoSys AG is designed in a clear and comprehensible manner. It complies with the requirements of section 87a AktG and the recommendations of the German Corporate Governance Code ("**GCGC**"), provided that no deviation from these recommendations is declared. The Supervisory Board's objective is to offer the members of the Management Board, within this regulatory framework and in compliance with the above principles for the design of the remuneration system, a remuneration package that is both in line with the market and competitive, while at the same time retaining sufficient flexibility to be able to react to structural changes and varying market conditions.

#### **B. Process for determining, implementing and reviewing the remuneration system**

The remuneration system for the Management Board of MorphoSys AG is determined by the Supervisory Board in accordance with section 87a para. 1 sentence 1 AktG. The Supervisory Board is hereby supported by its Remuneration and Nomination Committee. The Remuneration and Nomination Committee develops a system for the remuneration of the members of the Management Board, based on the principles outlined in section A. above, the legal requirements and the requirements of the GCGC as amended from time to time, and submits this system to the full Supervisory Board for discussion and resolution.

The Supervisory Board and its Remuneration and Nomination Committee will, if necessary, consult an external remuneration expert to develop the remuneration system and assess the appropriateness of the remuneration. The remuneration expert will be rotated from time to time. When consulting an external remuneration expert, the Supervisory Board ensures his independence from the Management Board and the Company. In the past, the Supervisory Board has regularly consulted an external remuneration expert for the assessment of the appropriateness of the remuneration and has ensured compliance with the above principles.

The remuneration system is regularly reviewed by the Supervisory Board, supported by its Remuneration and Nomination Committee.

The remuneration system is submitted to the General Meeting for approval in case of any material change, but at least every four years. If the General Meeting does not approve the proposed remuneration system, a reviewed remuneration system will be submitted for approval at the latest at the following Annual General Meeting.

Throughout the entire process of determining, implementing and reviewing the remuneration system, the requirements of the AktG and the Supervisory Board's rules of procedure, as well as the recommendations of the GCGC regarding the avoidance and handling of conflicts of interest, are complied with.

The remuneration system applies to all service agreements to be concluded or extended from June 1, 2022, onwards.

**C. Remuneration structure**

The remuneration system for the members of the Management Board consists of fixed, non-performance-related and variable, performance-related remuneration components, the sum of which determines the target total remuneration of the individual members of the Management Board.

The fixed, non-performance-related remuneration consists of a fixed base salary and fringe benefits, which may vary in amount depending on the occasion and the member of the Management Board. In addition, the Company makes payments to the members of the Management Board which are to be used by the members of the Management Board for their individual retirement benefits. In addition, the Company makes monthly contributions to a pension plan for all members of the Management Board.

The variable, performance-related remuneration consists of a short-term variable remuneration component in the form of an annual bonus and a long-term variable remuneration component in the form of a so-called Performance Share Unit Program.



<b>Fixed remuneration</b>	<b>Base salary</b>	Annual fixed salary	
	<b>Pension benefits</b>	<ul style="list-style-type: none"> <li>▪ Individual retirement contribution: Monthly contribution of 10% of the annual base salary</li> <li>▪ Monthly contribution to a pension plan</li> </ul>	
	<b>Fringe benefits</b>	Company car, allowance for health, social, accident and occupational disability insurance policies, and reimbursements for tax advice and double housing, as well as other expense allowances	
<b>Performance related remuneration</b>	<b>Annual bonus (STI)</b>	Structure	Annual bonus payment depending on the achievement of financial and non-financial performance targets
		Performance targets	Composition of one financial target (25%), one commercial target (25%), one development and BD&L-target (30%-40%) and one research and BD&L-target (10%-20%)
		Cap	Payout cap at 160% of the annual base salary (CEO) / 140% of the annual base salary (OBM)
	<b>LTI</b>	Structure	Share-based remuneration component consisting of performance share units with a waiting period of four years, which will generally be settled in cash
		Performance targets	<ul style="list-style-type: none"> <li>▪ Relative share price performance</li> <li>▪ Development milestones target</li> <li>▪ ESG-target</li> </ul>
		Cap	Payout cap at 250% of the initial grant amount
<b>Further provisions</b>	<b>Maximum remuneration</b>	Maximum remuneration for one financial year of 9,000,000 € (CEO) / 3,700,000 € (OBM)	
	<b>Malus and clawback</b>	Right of the Supervisory Board to retain or reclaim variable remuneration in particular in case of a breach of internal conduct policies or statutory duties by a member of the Management Board	
	<b>Severance cap</b>	Severance payments shall not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the service agreement	
	<b>Change of control</b>	Termination right in case of (i) a change of control and (ii) a material reduction of the Management Board member's responsibilities	

#### D. Target remuneration

On the basis of the remuneration system, the Supervisory Board determines the amount of the target total remuneration for the individual members of the Management Board for the upcoming financial year. The target total remuneration comprises the sum of all fixed and variable remuneration components for one year in the event of 100% target achievement. The target total remuneration to

be determined for each member of the Management Board is set in an adequate proportion to the responsibilities and performance of the respective member of the Management Board and the situation of the Company. In addition, the Supervisory Board ensures that the target total remuneration is appropriate and in line with market practice.

**a) Horizontal comparison**

MorphoSys AG follows a market-oriented remuneration philosophy. In order to assess whether the remuneration of the individual members of the Management Board is in line with customary market practice, the Supervisory Board, in a first step, makes a horizontal comparison with the remuneration paid to the members of the Management Board of a group of comparable companies to be determined by the Supervisory Board, taking into account in particular the market position of MorphoSys AG (including market capitalization, industry, size and country) and the overall economic situation of MorphoSys AG. In order to take into account the better comparability of MorphoSys AG with companies in the European and especially in the U.S.-market (in particular due to the specific business model of MorphoSys AG, the representation of MorphoSys AG in the U.S.-market and the international recruitment and composition of the members of the Management Board of MorphoSys AG), the Supervisory Board initially considers (industry-specific) listed European and U.S. companies in the composition of the peer group. Furthermore, the Supervisory Board also considers German listed companies of comparable size in Germany and abroad, in particular in Europe.

**b) Vertical comparison**

In addition, the Supervisory Board considers the level of remuneration of the members of the Management Board in relation to the remuneration structure within the MorphoSys-Group, based on the annual base salary of the members of the Management Board as well as the variable remuneration in the case of (assumed) 100% target achievement. In this vertical comparison, the Supervisory Board considers the average remuneration of the first two management levels below the Management Board of MorphoSys AG, consisting of the line managers reporting directly to the Management Board (first reporting line) as well as the line managers reporting directly to the first reporting line (second reporting line). Furthermore, the Supervisory Board also takes into account the average remuneration of the total workforce of the MorphoSys-Group over time.

In the event of significant shifts in the relation between the remuneration of the members of the Management Board of MorphoSys AG and the remuneration of the vertical peer groups, the Supervisory Board examines the causes for the shift. In such event it will be presented and reported in detail in the remuneration report.

**c) Differentiation according to different requirements for the Management Board positions**

When determining the target total remuneration of the individual members of the Management Board, the Supervisory Board may differentiate in view of different requirements of the respective Management Board function, market conditions or qualification and experience of the members of the Management Board. When determining the target total remuneration, the Supervisory Board may therefore, in particular, make differentiations depending on the function of the members of the Management Board (CEO or ordinary board member), the responsibility within the Management Board or the experience or term of membership in the Management Board, and may also take into account differences in the relevant competitor markets of the MorphoSys-Group.

**d) Composition of the target total remuneration**

The remuneration system for the members of the Management Board allows the Supervisory Board to differentiate in the determination of the target total remuneration depending on the function of the

respective member of the Management Board. In addition, the Supervisory Board can adjust individual remuneration components in the context of the annual review of the remuneration of the members of the Management Board, considering customary market practice, appropriateness and the weighting as per below ranges. Against this background, the share of the individual remuneration components within the target total remuneration are presented in percentage ranges. When calculating the target total remuneration for a financial year, the Supervisory Board also takes into account any group remuneration of individual members of the Management Board.

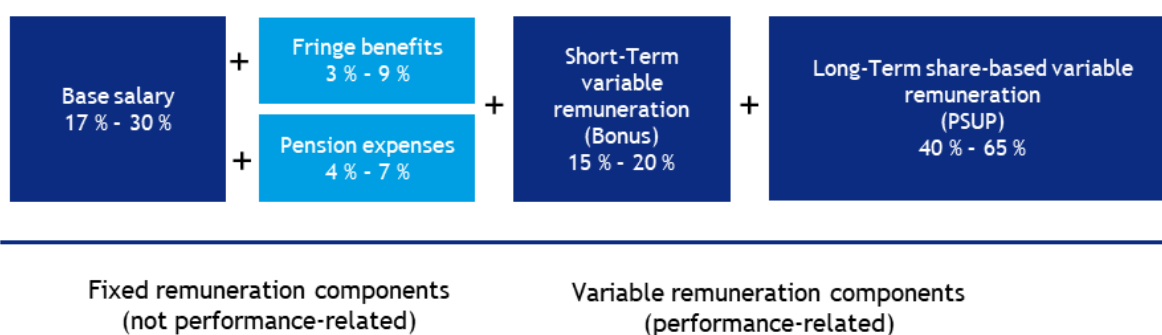
The target total remuneration for all members of the Management Board (CEO and ordinary board members) is as follows:

The fixed base salary represents around 17%-30% of the target total remuneration. Short-term variable remuneration (annual bonus) represents around 15%-20% of the target total remuneration, while long-term variable remuneration represents around 40%-65% of the target total remuneration. Fringe benefits are granted at an average rate of around 3%-9% of the target total remuneration, while the share of pension expense is around 4%-7% of the target total remuneration.

The target total remuneration for a member of the Management Board may increase in exceptional cases in the year of appointment or in the second year after appointment as a member of the Management Board, if, for example, the Supervisory Board grants the newly appointed member of the Management Board further payments as compensation for entitlements from a previous service agreement lost due to the acceptance of the new position at MorphoSys AG (e.g., entitlements from previous long-term incentive plans that have lapsed as a result of the assumption of the new position, whereby the Supervisory Board makes sure that the member of the Management Board is not granted more than lost from previous positions).

In accordance with the recommendation of the GCGC, the Supervisory Board ensures, when determining the target total remuneration, that the variable remuneration resulting from the achievement of long-term targets exceeds the proportion of short-term targets. This ensures that the remuneration system is focused on the long-term development and implementation of the business objectives of MorphoSys AG, without losing the achievement of short-term, especially operational, objectives out of sight.

### Target Total Remuneration



#### e) Caps and maximum remuneration

In order to achieve a balanced risk-reward profile and a corresponding incentive effect of the remuneration system, the variable remuneration components are designed in such way that the payout can be zero. Further, both the annual bonus and the Performance Share Unit Program provide for maximum limits (cap).

In addition, in accordance with section 87a para. 1 sentence 2 no. 1 AktG, the Supervisory Board has defined a maximum remuneration for the members of the Management Board, which includes

the sum of the fixed remuneration, including fringe benefits and pensions, as well as the variable remuneration. In this regard, it is not decisive when the respective remuneration component is paid out, but for which financial year it has been granted. The Supervisory Board regularly reviews the appropriateness of the maximum remuneration. This appropriateness review is carried out in connection with the horizontal and vertical comparison. When reviewing compliance with maximum remuneration, the Supervisory Board also includes any group remuneration of individual members of the Management Board.

The maximum remuneration for a financial year – regardless of whether the payout occurs in this financial year or at a later date – is € 9,000,000 for the CEO and € 3,700,000 for each ordinary board member.

The maximum remuneration does not represent the level of remuneration sought by the Supervisory Board or the level of remuneration the Supervisory Board deems to be appropriate, but rather an absolute maximum limit that can only be attained (if at all) in case of a full target achievement and an increase of the share price of the shares of MorphoSys AG.

The maximum remuneration for a member of the Management Board may increase in exceptional cases in the year of appointment or in the second year after appointment as a member of the Management Board, if the Supervisory Board grants the newly appointed member of the Management Board further payments e.g., as compensation for payments from a previous service agreement lost due to the acceptance of the new position at MorphoSys AG. In such case, the maximum remuneration may increase by up to 25% for the financial year in which the further payment is granted.

In addition, the Performance Share Unit Program contains a maximum limit for payouts in the amount of 250% of the respective individual grant amount.

## **E. Remuneration components in detail**

### **a) Fixed remuneration components**

The fixed remuneration of the members of the Management Board comprises a fixed base salary as well as individually agreed fringe benefits, retirement benefits, and other benefits granted in exceptional cases.

#### **i) Base salary**

Each member of the Management Board receives a fixed base salary agreed on an individual basis, which is generally paid out in twelve monthly installments.

#### **ii) Fringe benefits**

In addition, the members of the Management Board receive customary fringe benefits, which may mainly include the use of company cars for business and private purposes or a mobility allowance, subsidies for, reimbursement of costs for, or conclusion of health, social, accident and occupational disability insurance policies, and reimbursements for tax advice and double housing, as well as other expense allowances. Additional services, such as the (lump-sum) reimbursement of work-related relocation expenses, may be agreed upon individually with the respective member of the Management Board. MorphoSys AG further maintains a "Directors and Officers Insurance" (D&O insurance) policy with a deductible of at least 10% of the damage up to at least one and a half times the fixed base salary for each member of the Management Board.

#### **iii) Pension expenses**

MorphoSys AG grants the members of the Management Board an amount of 10% of the fixed base salary of each member of the Management Board, which are to be used by the member of the

Management Board for individual retirement benefits. In addition, the Company pays a fixed monthly contribution to a pension plan for all Management Board members.

The pension expense may deviate from this in exceptional cases if the Management Board member's main place of residence is outside Germany. In such cases, the pension expense is adjusted to take account of national (in particular regulatory) requirements. However, the Supervisory Board ensures that the above maximum limit of 10% of the fixed base salary for the individual retirement benefits and the share of the target total remuneration set for pension expenses is not exceeded.

#### **iv) Other services**

Finally, the Supervisory Board may, in exceptional cases, agree with the respective member of the Management Board on payments in connection with their appointment as a member of the Management Board of MorphoSys AG (e.g., to compensate entitlements under previous service agreements lost as a result of the assumption of the new position, whereby the Supervisory Board makes sure that the member of the Management Board is not granted more than lost from previous positions).

#### **b) Variable remuneration components**

The variable, performance-based remuneration of the members of the Management Board of MorphoSys AG consists of a short-term remuneration component, the annual bonus and a long-term remuneration component, the Performance Share Unit Program, and significantly contributes to the long-term and sustainable development of MorphoSys AG and the MorphoSys-Group. The short-term and long-term remuneration components depend on the achievement of financial and non-financial performance targets. In addition, under the Performance Share Unit Program, ESG targets are an integral part of the performance targets to be achieved.

#### **i) Annual bonus (Short-Term Incentive, STI)**

The annual bonus depends on the business success of MorphoSys AG in the respective financial year. It is calculated on the basis of the achievement of one financial target (the "**Financial Target**"), one commercial target (the "**Commercial Target**"), one development and BD&L target (the "**Development and BD&L Target**") and one research and BD&L target (the "**Research and BD&L Target**"). For the calculation of the overall target achievement the Financial Target and the Commercial Target are each weighted with 25%, the Development and BD&L Target is weighted with between 30% and 40% and the Research and BD&L Target is weighted with between 10% and 20%. The final bonus payment is capped at 160% of the annual base salary for the CEO and to 140% of the annual base salary for ordinary board members.

The definition of both financial and non-financial targets for the assessment of the annual bonus rewards the implementation of the business strategy of MorphoSys AG and at the same time creates an incentive for sustainable and future-oriented actions of the members of the Management Board. The annual bonus will be paid out in cash at the beginning of the following financial year.

#### **Definition of performance targets and target achievement**

The performance targets are defined as financial and operational figures, milestones and projects to be achieved and fulfilled during the respective financial year. Therefore, the Supervisory Board deems it to be in the best interest of the Company and the shareholders to newly define the performance targets for each financial year to ensure that the defined performance targets are always demanding and ambitious and are subject to an ongoing development and review to take sufficiently account of the fast and constant growth and change of MorphoSys AG and the MorphoSys-Group.

The Supervisory Board has however defined a target framework for each of the performance targets, within which the concrete performance targets for the respective financial year are to be defined.

The performance targets are generally set uniformly for all members of the Management Board. The Supervisory Board may also define the performance targets individually for each member of the Management Board.

### **Financial Target**

The Financial Target is linked to the compliance with the Company's published financial guidance for operating expenses. The Financial Target is weighted with 25% regarding the overall target achievement.

### **Commercial Target**

The Commercial Target is linked to the Monjuvi product sales targets as communicated in the Company's guidance as well as to the planning and execution of product launches. The Commercial Target is weighted with 25% regarding the overall target achievement.

### **Development and BD&L Target**

The Development and BD&L Target is linked to the clinical progress of phase I-III development programs including published timelines for the drug development or the conclusion of BD&L partnerships and M&A activities with a development purpose. The Development and BD&L Target is weighted with between 30% and 40% regarding the overall target achievement.

### **Research and BD&L Target**

The Research and BD&L Target is linked to the successful run of the Investigational New Drug (IND) application process as well as the conclusion of BD&L partnerships and M&A activities. The Research and BD&L Target is weighted with between 10% and 20% regarding the overall target achievement.

The weighting and ranges foreseen for the Research and BD&L Target and the Development and BD&L Target aim to provide the opportunity to reflect the nature of the biotechnology business, composed of early discovery, late development and business development activities. The focus of the goals will be in line with the stage of the respective pre-clinical or clinical programs and their strategic relevance in a particular financial year.

### **Determination of target achievement and bonus amount**

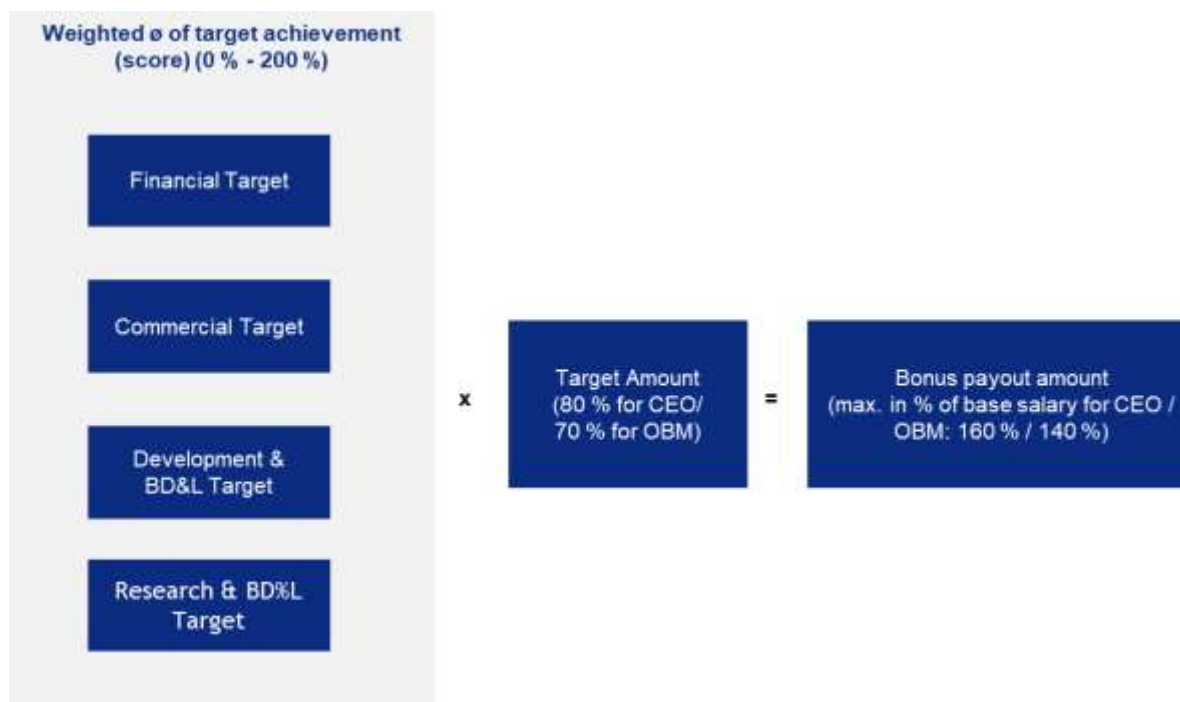
At the beginning of the subsequent financial year, the Supervisory Board first assesses the achievement (as a percentage) of each performance target, whereas a target achievement of between 0% and 125% for each performance target is possible. The so-calculated target achievement of each performance target corresponds to a specific target achievement level (score) (as a percentage). For each performance target, a target achievement level (score) of up to 200% can be achieved. A percentage target achievement of below 70% corresponds to a target achievement level (score) of 0%. A percentage target achievement of 85% corresponds to a target achievement level (score) of 75%. A percentage target achievement of 100% corresponds to a target achievement level (score) of 100%. A percentage target achievement of 125% or more corresponds to a target achievement level of 200%. Any further increase of the target achievement does not result

in a further increase of the target achievement level (cap). Between the percentage points, the target achievement and the corresponding target achievement level (score) increase linearly.

Goal achievement of*	Leads to a Score of*
125%	200%
112,50%	150%
100%	100%
85%	75%
70%	50%
Below 70%	0%

\*Linear progression between percentage points.

On the basis of the so-calculated target achievement level (score) for each performance target and of the weighting of the individual performance targets, the Supervisory Board calculates the overall target achievement for the annual bonus for the previous financial year, on the basis of which the amount of the annual bonus payment is determined as the overall target achievement multiplied by the target amount (80% of the annual base salary for the CEO and 70% of the annual base salary for ordinary board members). The so-calculated payment amount is limited to 160% of the annual base salary for the CEO and to 140% of the annual base salary for ordinary board members.



The defined performance targets for the annual bonus including their weighting will be disclosed on the Company's webpage. In addition, the remuneration report for the respective preceding financial year will transparently disclose the defined performance targets for the upcoming financial year.

Further, the Company will disclose the degree of target achievement as well as the respective payout amounts for the STI in the remuneration report of the respective financial year.

## **ii) Long-term remuneration component (Long-Term Incentive, LTI)**

The long-term variable remuneration of the members of the Management Board consists of a Performance Share Unit Program.

The performance targets set by the Supervisory Board for the Performance Share Unit Program are linked to the share price performance of the share of MorphoSys AG as well as to the achievement of a strategic development milestone and an ESG target.

The design of the long-term variable remuneration as a share price-based model and the additional consideration of an ESG target incentivize the contribution of the members of the Management Board to the long-term and sustainable development of the Company. In addition, the share-based structure of the remuneration also contributes to a stronger consideration of the interests of the shareholders.

### **Key features of the Performance Share Unit Program**

Under the Performance Share Unit Program, the members of the Management Board may be granted so-called Performance Share Units. After the expiry of a four-year waiting period and subject to the achievement of certain performance targets as described below, Performance Share Units are settled after a four-year waiting period in cash, or, at the election of the Company, by delivery of treasury shares of the Company, or by a combination of both.

At the beginning of the four-year waiting period, the Supervisory Board determines a grant amount in Euros for each member of the Management Board within the target total remuneration, which, divided by the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the grant, results in the number of Performance Share Units to be granted to the respective member of the Management Board.

The final number of Performance Share Units is linked to the overall target achievement of three performance targets during the four-year waiting period. The performance targets are the relative share price performance of the share of MorphoSys AG compared to the performance of the EURO STOXX Total Market Pharmaceuticals & Biotechnology during the waiting period as well as the achievement of a strategic development milestone and of an ESG target to be determined by the Supervisory Board at the beginning of the four-year waiting period. On the basis of the target achievement of each of the performance targets, the Supervisory Board calculates an overall target achievement, which determines the final number of Performance Share Units.

The final number of Performance Share Units entitle the member of the Management Board to a cash payment, to be fulfilled by the Company within 90 days after expiry of the waiting period. The payout for each Performance Share Unit corresponds to the average closing price of the shares of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the expiry of the four-year waiting period. The Company is further entitled to settle the payment claim of the respective member of the Management Board against the Company in whole or in part by delivering treasury shares of the Company.

The target achievement for the performance targets may correspond to between 0% and 200%. In addition, payouts made to the members of the Management Board under the Performance Share Unit Program are limited to 250% of the initial individual grant amount (cap). In case, this cap is exceeded, a respective number of Performance Share Unit will forfeit without entitlement to compensation. The cap applies accordingly, if the Company settles the payment claim in whole or in part by delivering treasury shares of the Company. If not all performance share units have vested, this cap is decreased to the respective *pro rata* amount of the grant amount.



## **Performance targets of the Performance Share Unit Program**

The performance targets of the Performance Share Unit Program comprise the development of the share price of the share of MorphoSys AG compared to the development of the EURO STOXX Total Market Pharmaceuticals & Biotechnology as benchmark index, a development milestones target as well as an ESG target.

- **Relative share price performance:**

The relative share price performance of the share of MorphoSys AG is measured by comparing the performance of the share price of the share of MorphoSys AG during the waiting period to the performance of the EURO STOXX Total Market Pharmaceuticals & Biotechnology as benchmark index. The relevant share price of the share of MorphoSys AG is the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning of the four-year waiting period and during the three months prior to the end of the four-year waiting period. The relevant price of the EURO STOXX Total Market Pharmaceuticals & Biotechnology is the average closing price of the EURO STOXX Total Market Pharmaceuticals & Biotechnology during the 30 trading days prior to the beginning and during the three months prior to the end of the four-year waiting period. The relative share price performance will result in a target achievement of between 0% and 200%.

- **Development milestones target:**

The achievement of the development milestones target is measured by the track record related to the regulatory approval of a/multiple NDA/BLA and/or SBLA in the USA. The regulatory approval date will be determined by the actual date by which the respective regulatory agency (e.g., FDA) provides an official response to the Company of the respective drug application. The number of drug applications and the timely or accelerated approval will result in a target achievement between 0% and 200%.

- **ESG Target**

In addition to the relative share price performance and the development milestones target, the Supervisory Board shall define an ambitious, measurable and transparent ESG target at the beginning of the four-year waiting period to be achieved until the expiry of the four-year waiting period. Further, the Supervisory Board defines target criteria for the defined ESG-target, which will result in a target achievement for the ESG-target of between 0% and 200%.

The Supervisory defines the ESG-target on the basis of the following target catalog:

- Employee targets,
- Sustainability targets,
- Diversity targets,
- Goals concerning energy and environment,
- Goals concerning the MorphoSys Foundation, as well as
- Goals concerning medical progress.

## **Determination of target achievement**

After the expiry of the four-year waiting period, the Supervisory Board determines the degree of target achievement for the performance targets as follows:

- **Relative share price performance**

If the share price declines compared to the benchmark index during the waiting period, the target achievement of the performance target of the relative share price performance is 0%. If the share price performance of the share of MorphoSys AG is 0% compared to the benchmark index, the target achievement of the performance target is 100%, in line with European market practice for relative share price evaluation. If the share price of the share of MorphoSys AG increases by

32% compared to the benchmark index, the target achievement is 150%. If the share price of the share of MorphoSys AG increases by 64% compared to the benchmark index, the target achievement is 200%. Between the percentage points, the target achievement increases linearly. A further increase of the target achievement is not possible (cap).

- **Development milestones target**

After the expiry of the four-year waiting period the Supervisory Board determines the target achievement (as a percentage) for the defined development milestones on the basis of the number of regulatory approved NDA/BLA and/or SBLA applications in the USA during the waiting period. If no regulatory approved application is achieved, the target achievement is 0%. One regulatory approved application equals a target achievement of 100%. Two regulatory approved applications equal a target achievement of 150%. A third regulatory approved application at the end of the waiting period equals a target achievement of 200%. A further increase of the target achievement is not possible (cap).

- **ESG Target**

After the expiry of the four-year waiting period, the Supervisory Board determines the target achievement (as a percentage) for the defined ESG target on the basis of the defined targets. The target achievement is also capped at 200%.

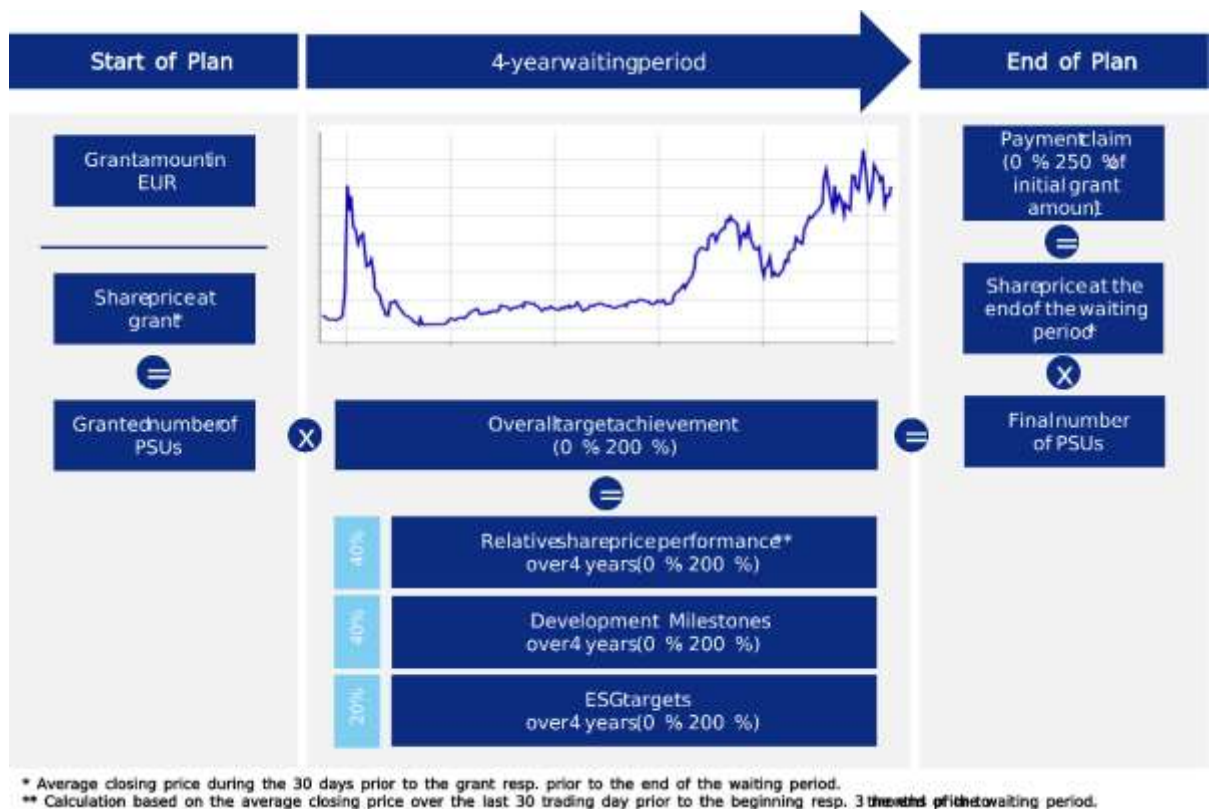
As a focus of the Company is currently in particular on the satisfaction of the employees of MorphoSys AG and the MorphoSys-Group, for the Performance Share Unit Program 2022, the Supervisory Board has determined the ESG-objective "Workforce Engagement of the MorphoSys-Group". In the future, however, the Supervisory Board also intends to consider other ESG-targets (in addition to or instead of the workforce engagement) within the long-term variable remuneration. MorphoSys AG will continue to engage with the shareholders on the appropriate choice of metrics in line with the ESG strategy of the Company.

The Supervisory Board measures the workforce engagement of the MorphoSys-Group at the end of the four-year waiting period compared to a pre-defined benchmark value as follows:

If at the end of the waiting period the evaluated workforce engagement of the MorphoSys-Group is below 55%, the achievement level of the Workforce Engagement Target is 0%. If the evaluated workforce engagement of the MorphoSys-Group is 55%, the achievement level of the Workforce Engagement Target is 50%. If the evaluated workforce engagement of the MorphoSys-Group is 65%, the achievement level of the Workforce Engagement Target is 100%. If the evaluated workforce engagement is 75%, the achievement level of the Workforce Engagement Target is 200%. Any further increase of the workforce engagement does not result in a further increase of the achievement level of the Workforce Engagement Target (cap). Between the percentage points, the target achievement increases linearly.

After the expiry of the four-year waiting period, on the basis of the percentage target achievement of each performance target, the Supervisory Board calculates the overall target achievement (as a percentage), with the relative share price performance being weighted with 40%, the development milestones target being weighted with 40% and the ESG-target being weighted with 20%.

On the basis of the overall target achievement, the final number of Performance Share Units is calculated by multiplying the number of Performance Share Units vested after the end of the four-year waiting period with the overall target achievement.



## F. Remuneration-related legal agreements

The service agreements of the members of the Management Board of MorphoSys AG are concluded for the duration of their appointment and are extended for the duration of the reappointment as a member of the Management Board, unless the Company and the respective member of the Management Board enter into deviating or supplementary agreements in connection with the reappointment.

### a) Early termination of the service agreement

The revocation of the appointment of a member of the Management Board pursuant to Sec. 84 para. 3 AktG shall at the same time be deemed to be a termination of the corresponding service agreement with a notice period of 23 months to the end of the month, unless the service agreement provides for a shorter term. In this case, the termination shall be effective as of the end of the contractual term.

In the event of an early termination of a Management Board member's service agreement, payments including fringe benefits shall not exceed twice the annual remuneration (severance cap), and shall not constitute remuneration for more than the remaining term of the service agreement. If the service agreement is terminated for good cause for which the member of the Management Board is responsible, no payments will be made to the member of the Management Board. The severance cap shall be calculated on the basis of the total remuneration for the previous full financial year and, where appropriate, also the expected total remuneration for the current financial year. The entitlement to payment of performance-related remuneration components already granted attributable to the period up to termination of the service agreement is based on the originally agreed targets and comparison parameters and on the due dates or holding periods stipulated in the service agreement. The plan conditions of the Performance Share Unit Program generally provide for a provision pursuant to which Performance Share Units shall forfeit *pro rata* for the time period following the termination of the service agreement.

**b) Change of control**

If (i) a change of control occurs and (ii), within one year after the change of control, the Management Board member's responsibilities are materially reduced, the respective member of the Management Board has the right to resign from office as a member of the Management Board within three months after the reduction of his responsibilities has occurred by giving three months' notice to the end of a calendar month. The service agreement shall terminate at the same time as the resignation from the Management Board becomes effective. The respective Management Board member is entitled to a severance payment in the amount of the annual gross fixed salary and the annual bonus until the regular expiry of the service agreement. Further, a severance payment will also be granted in case of an early termination of a Management Board member's service agreement on the occasion of a change of control. Severance payments shall in any case not exceed twice the annual remuneration and shall not constitute remuneration for more than the remaining term of the service agreement.

Change of control means

- (i) the transfer of the corporate assets of MorphoSys AG as a whole or in substantial parts to a company not affiliated with MorphoSys AG;
- (ii) the merger of MorphoSys AG with a non-affiliated company of MorphoSys AG;
- (iii) the conclusion of an inter-company agreement pursuant to section 291 AktG with MorphoSys AG as a dominated company or the integration of MorphoSys AG pursuant to section 319 AktG; or
- (iv) the direct or indirect holding of at least 30% of the voting rights in shares of MorphoSys AG by a shareholder or a third party, including the voting rights attributed to the shareholder or third party pursuant to section 30 of the German Securities Acquisition and Takeover Act.

Further, in case of a voluntary takeover offer or a mandatory takeover offer in the connection with the achievement of 30% of the voting rights in MorphoSys AG in accordance with number (iv) above, the plan conditions of the Performance Share Unit Program may provide for a right of the Company and/or the members of the Management Board to cancel all Performance Share Units which are not yet exercised against payment of a cancellation compensation. The cancellation compensation per Performance Share Unit corresponds to the consideration of the respective takeover offer. The compensation payment shall in any case not exceed the payout cap of 250% as defined in the Performance Share Unit Program and the maximum remuneration for the members of the Management Board.

**c) Incapacity to work**

In the event of a Management Board member's permanent incapacity for work, the service agreement of such member of the Management Board shall end six months after the end of the month in which the permanent incapacity for work was established.

**d) Post-contractual non-competition clause**

The service agreements of the members of the Management Board may provide for a post-contractual non-competition clause for a time period of up to one year. In such case, MorphoSys AG pays a compensation payment to the respective member of the Management Board amounting to 100% of the fixed salary for the duration of the non-competition clause. Any severance payment will be offset against the compensation payment.

**e) Malus and clawback**

The payment of all variable remuneration components, i.e., STI and LTI, is subject to so-called *malus* and *clawback* provisions, which entitle the Supervisory Board (i) to retain or reclaim in whole or in part variable remuneration components in the event of a breach of internal conduct policies or statutory duties by the respective member of the Management Board or (ii) to reclaim variable remuneration already paid out in case the pay-out was based on an incorrect calculation.

**f) Sideline activities**

Remuneration for Supervisory Board mandates within the MorphoSys-Group is offset against the fixed remuneration of the respective member of the Management Board. The Supervisory Board shall decide whether remuneration for Supervisory Board mandates outside of non-group entities is to be offset against the fixed remuneration.

**g) Extraordinary developments**

In the event of extraordinary developments, the Supervisory Board is entitled to adjust the amount of the individual remuneration components, including the target total remuneration of variable remuneration components in the event of 100% target achievement, their ratio to each other, the criteria for target achievement, the respective payment amounts and the payment dates. The adjustment may only result in a decrease of the variable remuneration.

Extraordinary developments occur when circumstances have arisen or are more likely than not to arise that could not have been foreseen when the targets for variable remuneration components were set and which have a significant impact on the total remuneration of the members of the Management Board. In making its decision, the Supervisory Board also takes into account the extent to which MorphoSys AG, the shareholders and the employees are or will be affected by the extraordinary developments.

If during a financial year an adjustment is required due to extraordinary developments, the adjustment will be transparently disclosed in the remuneration report for such financial year.

**9. Resolution on the approval of the Remuneration Report for the financial year 2021**

Pursuant to Section 162 (1) sentence 1 AktG, the Management Board and the Supervisory Board of a listed company shall annually prepare a clear and comprehensible report on the remuneration awarded and due to each individual or former member of the Management Board and the Supervisory Board in the last financial year. Pursuant to Section 120a (4) AktG, the general meeting of a listed company shall resolve on the approval of the remuneration report. Management Board and Supervisory Board therefore submit to the Annual General Meeting the following remuneration report of MorphoSys AG for the 2021 financial year, prepared in accordance with Section 162 AktG and audited by the Company's auditor pursuant to Section 162 (3) AktG, for which also an audit report has been issued, and propose that the remuneration report of MorphoSys AG for the 2021 financial year, prepared and audited in accordance with Section 162 AktG, be approved.

# Remuneration Report 2021

The following Remuneration Report provides an explanation and a clear and comprehensible presentation of the remuneration individually awarded and due to the current and former members of the Management Board and the Supervisory Board of MorphoSys AG (“the Company”) in the 2021 financial year. The Remuneration Report complies with the requirements of Section 162 of the German Stock Corporation Act (Aktiengesetz, “AktG”).

Beyond the requirements of Section 162 (3) sentence 1 and 2 AktG, the Management Board and the Supervisory Board decided to have the Remuneration Report audited not only formally but also materially by the appointed auditor.

The masculine form is used in this Remuneration Report for convenience purposes only, and refers equally to all genders.

## A. Review of the 2021 Financial Year

### I. Economic Environment in the 2021 Financial Year

The 2021 financial year was a transformative year for MorphoSys AG and its employees. The Company focused its effort on the execution of Monjuvi sales in the U.S., advancing its clinical programs and expansion of the clinical pipeline. The latter was achieved through the acquisition of Constellation Pharmaceuticals, Inc. which accelerated the Company’s transition to a business model focused on proprietary drug development and commercialization. MorphoSys AG is well positioned to execute on its growth strategy to become a leader in the areas of hematology and oncology and create long-term shareholder value.

The remuneration of the members of the Management Board of MorphoSys AG shall appropriately reward outstanding performance and decrease significantly if targets are not achieved (“Pay for Performance”). For this reason, the success and milestones achieved in the 2021 financial year were also reflected in the variable remuneration of the members of the Management Board.

For further detailed information on the economic framework during the 2021 financial year please refer to the Annual Report of MorphoSys AG.

### II. Resolution on the Approval of a Remuneration System for the Members of the Management Board

The Company’s Supervisory Board submitted a remuneration system for the members of the Company’s Management Board (“Remuneration System 2021”) to the Company’s Annual General Meeting on May 19, 2021 for resolution. The Remuneration System 2021 was not approved at the Annual General Meeting 2021. The Supervisory Board will therefore submit a reviewed and revised remuneration system to the Annual General Meeting 2022 for resolution. When revising the remuneration system, the Supervisory Board paid particular attention to disclose the performance targets for the variable remuneration in an even more transparent and comprehensible manner and to further limit the discretion of the Supervisory Board.

The Remuneration System 2021 does not apply to the current members of the Company’s Management Board, as the service agreements with all current Management Board members had already been concluded at the time of the resolution on the remuneration system. Accordingly, there were no deviations from the Remuneration System 2021 within the meaning of Section 162 (1) no. 5 AktG.

### **III. Resolution on the Approval of a Remuneration System for the Members of the Supervisory Board**

The Company's Annual General Meeting on May 19, 2021, also confirmed the remuneration of the members of the Supervisory Board as last approved by the Annual General Meeting 2020 and adopted a corresponding remuneration system.

### **IV. Changes in the Composition of the Management Board and the Supervisory Board**

The following changes of the Management Board occurred in the 2021 financial year:

Sung Lee became a member of the Management Board and Chief Financial Officer of the Company on February 2, 2021. Roland Wandeler, Ph.D., resigned as Management Board member and Chief Operating Officer of the Company effective at the end of December 31, 2021.

There were no changes in the composition of the Supervisory Board in the 2021 financial year, except for the reappointment of Marc Cluzel, M.D., Ph.D., Krisja Vermeylen and Sharon Curran as Supervisory Board members.

## **B. Remuneration of the Members of the Management Board of MorphoSys AG**

### **I. Overview of the Main Remuneration Components**

The remuneration of the members of the Management Board comprises of a fixed non-performance-related remuneration, the annual base salary as well as marked standard fringe benefits and pension contributions, and a variable, performance-related remuneration, the annual bonus and the long-term, share-based variable remuneration. In individual cases, special benefits may also be granted to Management Board members in connection with the commencement and termination of their position as member of the Management Board.

The amount of remuneration for Management Board members depends largely on the member's area of responsibility, the member's individual performance and the performance of the Management Board as a whole. It also takes into account the economic and financial success of MorphoSys AG, and is intended to provide an incentive for long-term and sustainable corporate governance, while linking the interests of the Management Board members to those of the Company's shareholders.

Although in the 2021 financial year the Remuneration System 2021 did not apply to the existing service agreements of the Management Board members, the essential basic principles of the Remuneration System 2021 were already taken into account when granting the variable remuneration for the 2021 financial year to the current members of the Management Board. Thus, the long-term variable remuneration in the 2021 financial year was granted exclusively in the form of performance share units, and an environment social governance (ESG) target was included in the Performance Share Unit Program 2021. In the 2021 financial year, no extraordinary bonus payments were granted to the members of the Management Board.

The remuneration of the Management Board members is regularly reviewed by the Supervisory Board, with the support of its Remuneration and Nomination Committee, and with the assistance of an external remuneration expert, for scope and appropriateness and compared with the result of a Management Board remuneration analysis.

### **II. Non-Performance-Related Remuneration Components**

#### **Base Remuneration**

As agreed in their service agreements, the members of the Management Board receive a fixed base remuneration, which is generally paid in monthly installments. The annual base remuneration in the 2021 financial year for the individual members of the Management Board was as follows:

Name of Management Board member	Role	Fixed base remuneration in €
Jean-Paul Kress, M.D.	Chief Executive Officer	770,000
Sung Lee*	Chief Financial Officer	466,100
Malte Peters, M.D.	Chief Research and Development Officer	504,925
Roland Wandeler, Ph.D.**	Chief Operating Officer	472,013

\* Basic remuneration for Sung Lee was awarded in the 2021 financial year on a pro rata basis from February 2, 2021, the date on which he took over as a member of the Management Board

\*\* The compensation of Roland Wandeler, Ph.D. is paid in US\$ and converted with a foreign exchange rate of € 1.00 = US\$ 1.1827. Only the amount in € will be subsequently shown. The average base compensation of US\$ 558,250.00 (last adjusted as of July 1, 2021) corresponds to an amount of € 472,013.00.

### Fringe Benefits

In addition to their fixed base salary, the Management Board members receive market standard fringe benefits that mainly include the professional and private use of company cars, subsidies for or reimbursement of health, social and accident insurance costs, and reimbursement of legal advice in connection with employment contracts.

The Management Board members may also be granted special one-time benefits, such as sign-on bonuses in case of the first appointment as a member of the Management Board, the reimbursement of work-related relocation expenses, or the reimbursement of double household costs.

### Company Pension Scheme

The Management Board members participate in a pension plan in the form of a provident fund. In addition, the members of the Management Board receive an amount equivalent to a maximum of 10% of their fixed annual (gross) base salary that shall be used by the Management Board members for their individual retirement plan. This amount can also be invested in the provident fund pension plan. Dr. Malte Peters uses both the provident fund and as well an individual pension plan for this purpose (this individual part is not shown in the following table). The pension benefits for Roland Wandeler, Ph.D., who is domiciled in the USA, deviate from this to take into account U.S. particularities. Nevertheless, the above maximum limit for individual retirement benefits of 10% of the fixed annual base salary is also complied with in the case of Roland Wandeler, Ph.D. In addition, the Management Board members receive an optional supplement to their company pension in the form of deferred compensation. Jean-Paul Kress, M.D., has not made use of this form to date.



in € thousands	<b>Jean-Paul Kress, M.D. Chief Executive Officer</b>		<b>Sung Lee Chief Financial Officer</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Contribution to private pension scheme	124.4	120.3	78.5	—
Employer subsidy for deferred compensation	—	—	0.4	—
<b>Total</b>	<b>124.4</b>	<b>120.3</b>	<b>79.0</b>	<b>—</b>

in € thousands	<b>Malte Peters, M.D. Chief Research and Development Officer</b>		<b>Roland Wandeler, Ph.D.* Chief Operating Officer</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Contribution to private pension scheme	53.3	51.5	27.3	14.8
Employer subsidy for deferred compensation	0.5	0.5	—	—
<b>Total</b>	<b>53.8</b>	<b>52.0</b>	<b>27.3</b>	<b>14.8</b>

\* For Roland Wandeler Ph.D. contributions were paid into the U.S. pension plan.

### III. Performance-Related Remuneration Components

#### Annual Bonus (Short-Term Incentive STI)

The members of the Management Board receive a short-term variable remuneration in the form of an annual bonus (STI), which rewards the operational implementation of the Company's corporate strategy in the respective financial year as a basis for the long-term positive development of the Company and the MorphoSys Group. The amount of the annual bonus is calculated on the basis of various financial and non-financial performance criteria (so-called "Company Goals") as determined by the Supervisory Board uniformly for all members of the Management Board for the respective upcoming financial year.

For this purpose, a target amount that determines the amount of the bonus payment in the event of a 100% target achievement has been set for each Management Board member. For the Chairman of the Management Board (CEO), the target amount is 80% of the annual base salary, and for all other Management Board members the target amount is 70% of the annual base salary.

At the beginning of the subsequent financial year, the Supervisory Board assesses the degree of target achievement of the set targets and determines the amount of the annual bonus. For the CEO, the maximum payout amount is limited to 160% of the annual base salary, and for all other Management Board members the maximum payout amount is limited to 140% of the annual base salary.

The degree of target achievement is measured as follows:

For each Company Goal, the Supervisory Board determines the percentage of target achievement, which can range from 0% to 125%. The percentage target achievement is converted into a target achievement level (the so-called "Score"), which can range from 0% to 200%, whereby the target achievement and the corresponding Score increase linearly between the percentage points.

**Target achievement of performance targets (0%–125%)**      **Corresponding Score (0%–200%)**

125%	200%
112.5%	150%
100%	100%
85%	75%
70%	50%
under 70%	0%

On the basis of the calculated target achievement levels of each performance target and the respective weighting of the performance targets as defined by the Supervisory Board, the Supervisory Board calculates the overall degree of target achievement for the respective financial year as follows:



As the annual bonus 2020 was not paid out to the members of the Management Board until the 2021 financial year, the annual bonus 2020 is allocated to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2021 financial year, and is consequently disclosed in this Remuneration Report. The amount of the annual bonus (STI) for the 2021 financial year will be determined and paid out in the 2022 financial year, and is therefore allocated to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2022 financial year. In order to ensure a transparent and comprehensive disclosure of the remuneration granted to the members of the Management Board for a financial year, the annual bonus for the 2021 financial year is also disclosed voluntarily in this Remuneration Report.

## Annual Bonus 2020

For the 2020 financial year, the Supervisory Board has defined the following performance targets and their weighting uniformly for all Management Board members:

Performance criteria	Evaluation criteria	Weighting
<b>TARGET 1: STRATEGY AND TRANSFORMATION</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• Execute on partnership for the commercialization of tafasitamab</li> <li>• Define in-licensing criteria and evaluate opportunities accordingly</li> <li>• Successfully implement new operating model and organizational structure</li> </ul>	
<b>TARGET 2: TAFASITAMAB APPROVAL</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• Achieve FDA approval in the U.S.</li> <li>• Complete Marketing Authorization Application (MAA) submission in the EU</li> <li>• B-MIND: Complete enrollment of 450 patients according to plan by year-end 2020</li> <li>• Re-MIND2 results available to support Marketing Authorization Application (MAA) in EU</li> <li>• Execution of Expanded Access Program (EAP) according to project plans</li> </ul>	
<b>TARGET 3: TAFASITAMAB LAUNCH</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• U.S. commercial organization in place according to plan to enable mid-2020 launch</li> <li>• Execution of Marketing and Sales launch activities according to plan</li> <li>• Medical Affairs launch activities according to plan</li> <li>• Timely product availability at third-party logistics provider after FDA approval in support of tafasitamab/Monjuvi launch in U.S.</li> <li>• U.S.-Market uptake as planned</li> </ul>	
<b>TARGET 4: PIPELINE</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• <b>Tafasitamab</b> <ul style="list-style-type: none"> <li>• Front-line: Phase 1b trial complete enrollment, phase 3 study to start first trimester of 2021</li> <li>• Follicular lymphoma: Phase III study start on track</li> <li>• Completion of EMA and FDA scientific advice on the 1st line diffuse large B-cell lymphoma (DLBCL) and follicular lymphoma (FL) phase-III programs</li> </ul> </li> <li>• <b>Felzartamab</b> <ul style="list-style-type: none"> <li>• Achieve proof-of-concept (PoC) for anti-PLA2R-positive membranous nephropathy (MN) trial according to plan</li> </ul> </li> <li>• <b>Early Research &amp; Development</b> <ul style="list-style-type: none"> <li>• One successful compound transition to development</li> </ul> </li> </ul>	
<b>TARGET 5: FINANCIAL TARGET</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• Revenues and Earnings Before Interest and Taxes (EBIT) figures to stay within guidance as published in March 2020</li> </ul>	

Despite the Covid-19 pandemic, the 2020 financial year was a successful year for the Company. The accelerated approval and successful market launch of Monjuvi in the U.S. were important milestones, which enabled the transformation of the Company into a fully integrated biopharmaceutical company with its own sales infrastructure. In January 2020, the conclusion of a global collaboration and licensing agreement with Incyte was announced. The co-promotion of Monjuvi with Incyte in the U.S. will leverage the newly established MorphoSys sales team as well as Incyte's established market position. In 2020, the build-up of commercial structures in the U.S. continued successfully. Since approval, the team has been focused on making Monjuvi available to patients, despite the challenges of introducing a therapy during the COVID-19 pandemic. The Company adapted sales and clinical development activities and overcame many hurdles, for example by using digital technologies to engage healthcare providers. As a result, most clinical trials continued as planned. In May 2020, the marketing authorization application for tafasitamab plus lenalidomide was validated for the EU and subsequently granted approval in August 2021.

After the end of the 2020 financial year, the target achievement for the annual bonus was as follows:

Performance criteria	Evaluation	Weighting	Target achievement
<b>TARGET 1: STRATEGY AND TRANSFORMATION</b>		20%	125%
Flawless execution of several strategic assessments and closing of transformational deals with Incyte, Xencor and Cherry Labs that provided US\$ 750 million funds and additional pipeline opportunities. Adaptation of operating model and management structure to suit a global integrated pharmaceutical operation.			
<b>TARGET 2: TAFASITAMAB APPROVAL</b>		20%	112%
Received first and only approval in 2L DLBCL one month ahead of PDUFA date, Marketing Authorization Application (MAA) submission in the EU six months ahead of plan. Tafasitamab clinical program executed despite COVID-19 pandemic impact in healthcare systems worldwide.			
<b>TARGET 3: TAFASITAMAB LAUNCH</b>		20%	116%
Accelerated launch plans to enable commercial launch and product availability to patients ahead of original PDUFA date. Successfully adapted launch plans to virtual setting due to COVID-19 pandemic.			
<b>TARGET 4: PIPELINE</b>		20%	112%
Patient enrollment timelines and clinical milestones were successfully met ahead of schedule despite COVID-19 pandemic. Early pipeline rejuvenation through in-licensing of Cherry Biolabs' hemibody technology			
<b>TARGET 5: FINANCIAL TARGET</b>		20%	125%
Achieved revenue of roughly € 320 million, and Earnings Before Interest and Taxes (EBIT) of € 27 million while significantly strengthening the balance sheet			

Taking into account the defined weighting for the respective performance targets, the overall target achievement (Score) amounted to 172%, which resulted in the following payout amounts:

in € thousands	Target amount (100% target achievement)	Maximum payout (160% of base salary)	Maximum payout (140% of base salary)	Total target achievement (Score)	STI payout
Jean-Paul Kress, M.D.	578.7	1,157.3	—	172.0%	995.3
Sung Lee*	—	—	—	—%	—
Malte Peters, M.D.	336.4	—	672.8	172.0%	578.6
Roland Wandeler, Ph.D.**	211.6	—	423.2	172.0%	363.9
Jens Holstein	329.7	—	659.4	172.0%	567.0
Markus Enzelberger, Ph.D.	39.8	—	79.6	172.0%	68.4

\* During the financial year 2020, Sung Lee was not yet a member of the Management Board.

\*\* Based on an average conversion range of € 1.00 = US\$ 1.1827

The annual bonus 2020 was paid out to the members of the Management Board in February 2021 and is therefore allocated to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2021 financial year.

## Annual Bonus 2021

For the 2021 financial year, the Supervisory Board defined the following performance criteria and their weighting for the annual bonus uniformly for all Management Board members:

Performance criteria	Evaluation criteria	Weighting
<b>TARGET 1: FULLY EXPLOIT THE POTENTIAL OF TAFASITAMAB</b>		<b>35%</b>
	<ul style="list-style-type: none"> <li>• Successful market launch in relapsed/refractory (r/r) diffuse large B-cell lymphoma (DLBCL)</li> <li>• Develop tafasitamab, strengthen its position in r/r DLBCL and advance strategy as a standard combination therapy</li> <li>• Safeguard the tafasitamab supplier network through additional contract manufacturers and scheduled technology transfer</li> </ul>	
<b>TARGET 2: EXPAND THE PIPELINE FOR SUSTAINABLE GROWTH</b>		<b>30%</b>
	<ul style="list-style-type: none"> <li>• Evaluate and execute on business development and licensing opportunities and/or merger and acquisition targets</li> <li>• Internally drive forward innovation and achieve a balanced pipeline</li> </ul>	
<b>TARGET 3: DEVELOPMENT OF FELZARTAMAB IN THE FIELD OF AUTOIMMUNE DISEASES</b>		<b>15%</b>
	<ul style="list-style-type: none"> <li>• Achieve proof-of-concept (PoC) in the main indication of antibody-mediated membranous nephropathy (MN) in the M-PLACE study and make interdisciplinary progress as planned with the felzartamab program</li> </ul>	
<b>TARGET 4: MEET FINANCIAL TARGETS AND BUILD A COMPELLING GLOBAL BUSINESS MODEL</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>• Manage financial performance within forecast published in March 2021</li> <li>• Continue to drive organizational transformation and implement concrete initiatives related to corporate culture (ESPRIT), efficiency (LEAN) and automation (DIGITALIZATION)</li> </ul>	

The 2021 financial year was a transformative year for MorphoSys AG. Through the acquisition of Constellation Pharmaceuticals, Inc., MorphoSys AG expanded its clinical pipeline in the areas of hematology and oncology, and the financing partnership agreement with Royalty Pharma secured financial resources to fund its growth strategy. The integration of Constellation Pharmaceuticals, Inc. into MorphoSys Group commenced in the 2021 financial year and will be finalized in the 2022 financial year. The Company executed on commercialization of Monjuvi in the U.S. against difficulties in connection with the COVID-19 pandemic, especially in the first half of 2021. Furthermore, Monjuvi received market approval in Europe. Despite the impact of the COVID-19 pandemic on healthcare systems worldwide, MorphoSys AG continued to ensure the continuity of all clinical programs and meet, and in some cases exceed, all clinical development targets.

In the 2021 financial year, the target achievement for the annual bonus was as follows:

Performance criteria	Evaluation	Weighting	Target achievement
<b>TARGET 1: FULLY EXPLOIT THE POTENTIAL OF TAFASITAMAB</b>		<b>35%</b>	<b>107.8%</b>
	Progress on strategic launch objectives of tafasitamab in the U.S.. Overall sales below target at 85%. Earlier EU approval in August 2021 compared to scheduled fourth quarter 2021. FrontMIND development program advanced according to plan. Secured additional Contract Manufacturing Organizations and significant reduction of Cost of Goods.		
<b>TARGET 2: EXPAND THE PIPELINE FOR SUSTAINABLE GROWTH</b>		<b>30%</b>	<b>125%</b>
	Acquisition of Constellation Pharmaceuticals, Inc. and financing deal with Royalty Pharma. Closing and integration completed in less than six months.		
<b>TARGET 3: DEVELOPMENT OF FELZARTAMAB IN THE FIELD OF AUTOIMMUNE DISEASES</b>		<b>15%</b>	<b>110%</b>
	Progressed three clinical trials in parallel despite COVID-19 pandemic, completed enrollment and achieved Proof-of-Concept (PoC) in the main indication of antibody-mediated membranous nephropathy (MN) in the M-PLACE study		
<b>TARGET 4: MEET FINANCIAL TARGETS AND BUILD A COMPELLING GLOBAL BUSINESS MODEL</b>		<b>20%</b>	<b>125%</b>
	Delivered on financial guidance, including OPEX targets for the year*. Continued organizational transformation with successful digitalization and cultural programs.		

\* The 2021 pay-out amount was based on preliminary final financial numbers. On March 10th, 2022 an Ad Hoc was released describing a non-cash impairment charge related to goodwill after consolidation of research and discovery functions as a one-time accounting effect with no cash impact. The impact of this charge will be considered in the 2022 STI evaluation.

In the future, starting with the 2022 STI, the financial targets will be evaluated only based on audited and accepted financial statements.

Taking into account the defined weighting for the individual performance targets, the overall target achievement amounted to 167.2%, which resulted in the following payout amounts:

in € thousands	Target amount based on 100% target achievement (Score)	Maximum payout (160% of base salary)	Maximum payout (140% of base salary)	Total target achievement (Score)	STI payout
Jean-Paul Kress, M.D.	616.0	1,232.0	—	167.2%	1,030.0
Sung Lee*	298.1	—	596.2	167.2%	498.4
Malte Peters, M.D.	353.4	—	706.9	167.2%	591.0
Roland Wandeler, Ph.D.**	330,409.2	—	660,818.5	167.2%	560.6

\* Annual bonus for Sung Lee was awarded in the 2021 financial year on a pro rata basis from February 2, 2021, the date on which he took over as a member of the Management Board

\*\* Based on an average conversion range of € 1.00 = US\$ 1.1827

The annual bonus 2021 was paid out to Management Board members in February 2022 and is therefore attributed to remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2022 financial year. The annual bonus 2021 is voluntarily presented in this remuneration report.

### Outlook for the Annual Bonus 2022

For the 2022 financial year, the Supervisory Board has defined the following performance targets and their weighting for the annual bonus:

Performance criteria	Evaluation criteria	Weighting
<b>TARGET 1: COMMERCIAL TARGET</b>		<b>25%</b>
	<ul style="list-style-type: none"> <li>Achieve US Net Sales for Monjuvi as communicated in Company's financial guidance</li> </ul>	
<b>TARGET 2: FINANCIAL TARGET</b>		<b>25%</b>
	<ul style="list-style-type: none"> <li>Manage operating expenses within budget as communicated in Company's financial guidance</li> </ul>	
<b>TARGET 3: DEVELOPMENT TARGET</b>		<b>30%</b>
	<ul style="list-style-type: none"> <li>Advance clinical development of phase 3 programs: <ul style="list-style-type: none"> <li>Pelabresib - Accelerate recruitment of MANIFEST-2: Achieve enrollment of 50%</li> <li>Pelabresib - Complete recruitment of MF patients in MANIFEST-1:</li> <li>Tafasitamab - Achieve frontMIND enrollment of 75%</li> <li>Tafasitamab - Achieve First Patient First Visit for MINDway study</li> </ul> </li> </ul>	
<b>TARGET 4: DEVELOPMENT/DISCOVERY TARGET</b>		<b>20%</b>
	<ul style="list-style-type: none"> <li>Execute at least one partnership for early or mid-stage MorphoSys program while advancing the pipeline</li> </ul>	



### Long-Term Incentive (LTI)

The members of the Management Board also receive a long-term variable remuneration in the form of participation in the Company's various long-term remuneration programs. These are various share-based programs whose payout is subject to a waiting period of four years. This provides an incentive to the respective Management Board members to contribute to the long-term sustainable development of the Company, while linking the interests of the Management Board members to those of the shareholders.

In the 2021 financial year, the stock options granted in the 2017 financial year under the Stock Option Program 2017 and the performance shares granted under the Performance Share Plan 2017 became exercisable. The relevant performance targets under both the Stock Option Program 2017 and the Performance Share Plan 2017 were the absolute and the relative share price performance of MorphoSys AG. In addition, performance share units were granted to the members of the Management Board in the 2021 financial year under the Performance Share Unit Program 2021.

The inflow from the Stock Option Program 2017 and the Performance Share Plan 2017 in the 2021 financial year is allocated to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2021 financial year. The performance share units are subject to a waiting period of four years and the achievement of the performance targets of the absolute and relative share price performance of MorphoSys AG as well as an ESG target until they are paid out. The payout of the final number of performance share units granted to the members of the Management Board in the 2021 financial year will occur after the end of the waiting period and will therefore only be disclosed in the remuneration report for the 2025 financial year.

### Settlement of the Stock Option Program 2017

In the 2021 financial year, stock options granted to the former members of the Management Board, Simon Moroney Ph.D., Marlies Sproll, Ph.D., Markus Enzelberger, Ph.D., and Jens Holstein, as well as to the current member of the Management Board Malte Peters, M.D., became exercisable for a duration of three years following both the approval of the consolidated annual financial statements of the Company for the last financial year prior to the expiry of the waiting period. and the expiry of the waiting period.

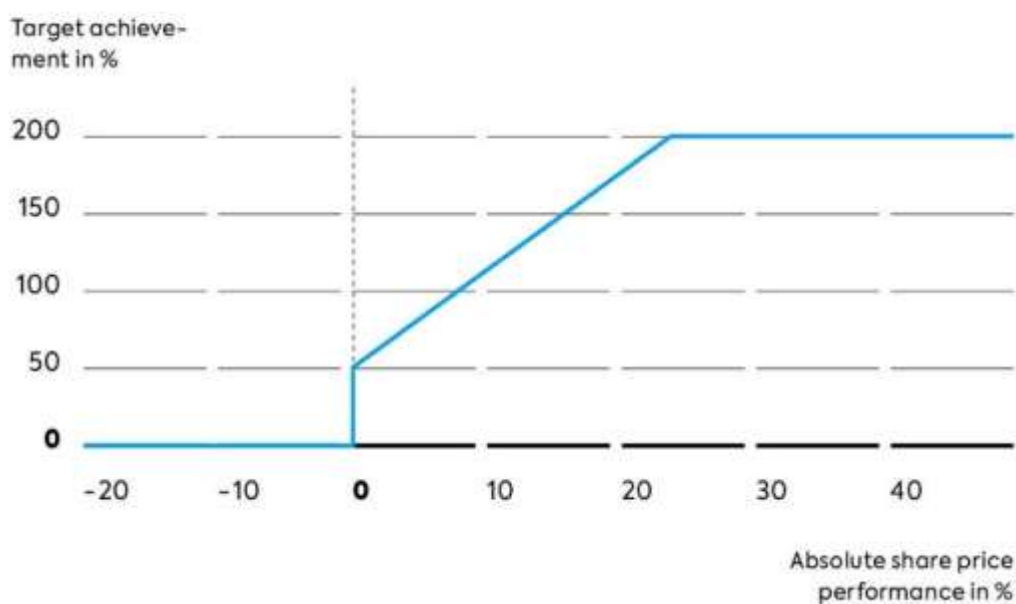
The performance targets for the Stock Option Plan 2017 were defined as the absolute share price performance of the share of MorphoSys AG and the relative share price performance of the share of MorphoSys AG compared to a benchmark index, consisting in equal parts of the NASDAQ Biotechnology Index and the TecDAX Index. Each performance target was weighted with 50% within the overall target achievement.

To determine the level of performance target achievement for each performance target, the waiting period was divided into four identical periods of one year each. From the performance target achievement level derived in this manner for each yearly period of the waiting period, an arithmetic mean was formed that determines the final percentage target achievement for each performance target. Thereafter, these final percentage target achievements for each of both performance targets were added and divided by two. The result forms the overall target achievement, which determines the final number of exercisable stock options, whereby depending on the degree of target achievement one stock option grants a subscription right for up to two shares in the Company.

### Absolute Share Price Performance

The absolute share price performance of the share of MorphoSys AG within one yearly period is determined by comparing the average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange prior to the beginning and prior to the end of the respective yearly period. If in the respective yearly period the share price declines, the achievement of the performance target is 0%. If the share price performance of the share of MorphoSys AG is 0%, the performance target is achieved by 50%. Subsequent increases in the performance target are linear. An 8% increase of the share price of the share of MorphoSys AG during a yearly period results in a performance target achievement level of 100%; a 16% increase of the share price during a yearly period results in a performance target achievement level of 150 and a 24% increase of the share price results in a performance target achievement level of 200%. Any further increase of the performance target achievement is not possible (cap).

#### Absolute share price performance

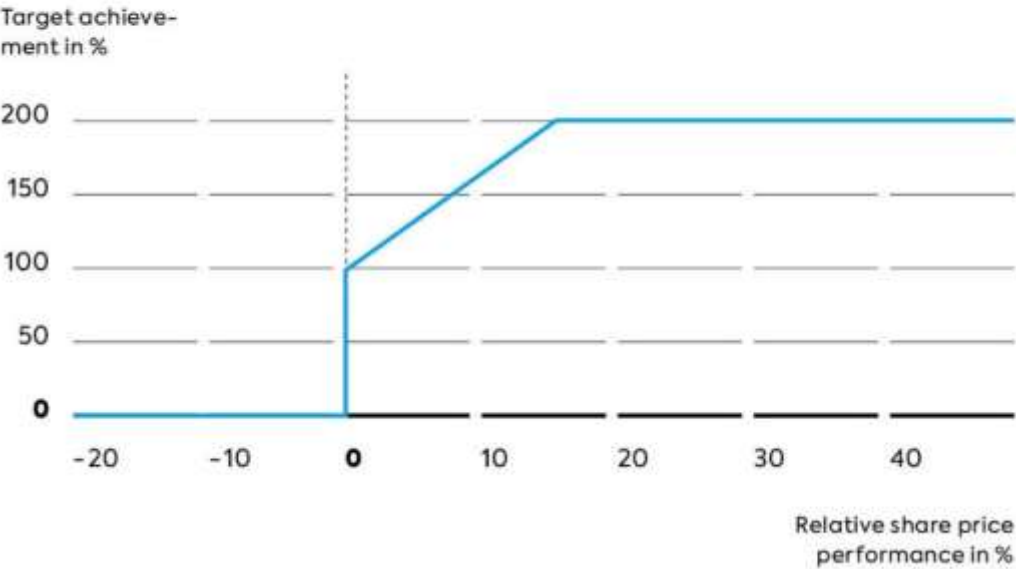


**Relative Share Price Performance**

For the relative performance target, within each yearly period, the market price of the MorphoSys shares is compared to the performance of the NASDAQ Biotech Index and the TecDAX Index (collectively the "Benchmark Index") and the respective values are put into proportion. Within the Benchmark Index, the NASDAQ Biotech Index and the TecDAX Index are each weighted 50% in a way that the percentage performance per index and per yearly period is added and divided by two. The relevant share price for MorphoSys shares is the average closing price in Xetra trading on the Frankfurt Stock Exchange 30 trading days prior to the start and the end of the respective yearly period. The relevant share price of the NASDAQ Biotech Index and the TecDAX Index, respectively, is the average closing price of the NASDAQ Biotech Index and the TecDAX Index, respectively, on the NASDAQ Stock Exchange and on the Frankfurt Stock Exchange, respectively, during the 30 trading days prior to the start and prior to the end of the respective yearly period. If in the respective yearly period the share price declines compared to the Benchmark Index, the achievement of the performance target is 0%. If the share price of the MorphoSys share is 0% compared to the Benchmark Index, the performance target is achieved by 100%. Subsequent increases in the performance target are linear. An 8% increase of the MorphoSys share price compared to the Benchmark Index results in a performance target achievement level of 150%, and a 16% increase of the MorphoSys share price compared to the Benchmark Index results in a performance target achievement level of 200%. Any further increase of the performance target achievement is not possible (cap).

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**Relative share price performance**



During the waiting period, the performance targets were achieved as follows:

	Average price at the beginning of the annual period*	Average price at the end of the annual period*	Share price development	Target achievement after the end of the waiting period
<b>Absolute share price performance** MorphoSys AG</b>				<b>+98.50%</b>
First annual period	55.52	81.04	+45.96 %	
Second annual period	81.04	87.86	+8.41 %	
Third annual period	87.86	93.66	+6.61 %	
Fourth annual period	93.66	81.01	(13.49) %	
<b>Relative share price performance*** MorphoSys AG</b>				<b>+121.25%</b>
First annual period	55.52	81.04	+45.96 %	
Second annual period	81.04	87.86	+8.41 %	
Third annual period	87.86	93.66	+6.61 %	
Fourth annual period	93.66	81.01	(13.49) %	
<b>TecDAX Index</b>				
First annual period	1,953.36	2,606.23	+33.26 %	
Second annual period	2,606.23	2,642.31	+1.47 %	
Third annual period	2,642.31	2,689.41	+1.69 %	
Fourth annual period	2,689.41	3,368.32	+25.25 %	
<b>NASDAQ Biotechnology Index</b>				
First annual period	3,090.28	3,462.52	+12.07 %	
Second annual period	3,462.52	3,509.60	+1.34 %	
Third annual period	3,509.60	3,484.14	(1.47) %	
Fourth annual period	3,484.14	4,853.42	+40.35 %	
<b>Overall target achievement</b>				<b>+110.00 %</b>

\* Average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning and the end of the respective annual period, respectively.

\*\* The target achievement for the absolute share price performance on the basis of the above values amounted during the respective annual periods as follows: +200,00% during the first annual period, +103,00% during the second annual period, +91,00% during the third annual period and +0,00% during the fourth annual period.

\*\*\* The target achievement for the relative share price performance on the basis of the above values amounted during the respective annual periods as follows: +200,00% during the first annual period, +144,00% during the second annual period, +141,00% during the third annual period and +0,00% during the fourth annual period.

The overall target achievement of 110% resulted in the following final number of exercisable stock options (original number of stock options multiplied with the overall target achievement of 110%):

<b>Management Board member</b>	<b>Exercise price (in €)</b>	<b>Original number of stock options</b>	<b>Final number of stock options</b>	<b>Quantitative Change</b>
Malte Peters, M.D.	55.52	8,197	9,017	820
Simon Moroney Ph.D.	55.52	12,511	13,763	1,252
Marlies Sproll Ph.D.	55.52	6,148	6,763	615
Jens Holstein	55.52	8,197	9,017	820
Markus Enzelberger, Ph.D.	55.52	5,266	5,793	527

In the 2021 financial year, neither Malte Peters, M.D., nor former member of the Management Board, who has been granted stock options under the Stock Option Program 2017, exercised the stock options that were granted. The other current members of the Management Board were not members of the Company's Management Board at the time the stock options were issued under the Stock Option Program 2017. As a result, no stock options under this program became exercisable for these Management Board members in the 2021 financial year.

#### Settlement of the Performance Share Plan 2017

Further, in the 2021 financial year, performance shares which were granted under the Performance Share Plan 2017 for the 2017 financial year to the former Management Board members Simon Moroney, Ph.D., Marlies Sproll, Ph.D., Markus Enzelberger, Ph.D., and Jens Holstein, as well as to the current member of the Management Board Malte Peters, M.D., became exercisable for a time period of six months after the expiry of the waiting period.

The performance targets for the Performance Share Plan 2017 were defined as the absolute share price performance of the MorphoSys share and relative share price performance of the MorphoSys share price compared to a benchmark index, consisting in equal parts of the NASDAQ Biotechnology Index and the TecDAX Index. Each performance target is weighted with 50% within the overall target achievement.

To determine the level of performance target achievement for each performance target, the waiting period was divided into four identical periods of one year each. From the performance target achievement level derived in this manner for each annual period of the waiting period, an arithmetic mean was formed that determines the final percentage target achievement for each performance target. Thereafter, these final percentage target achievements for each of both performance targets were added and divided by two. The result forms the overall target achievement, which determines the number of exercisable performance shares, whereby, depending on the level of target achievement, one performance share entitles to the subscription of up to two shares in the Company.

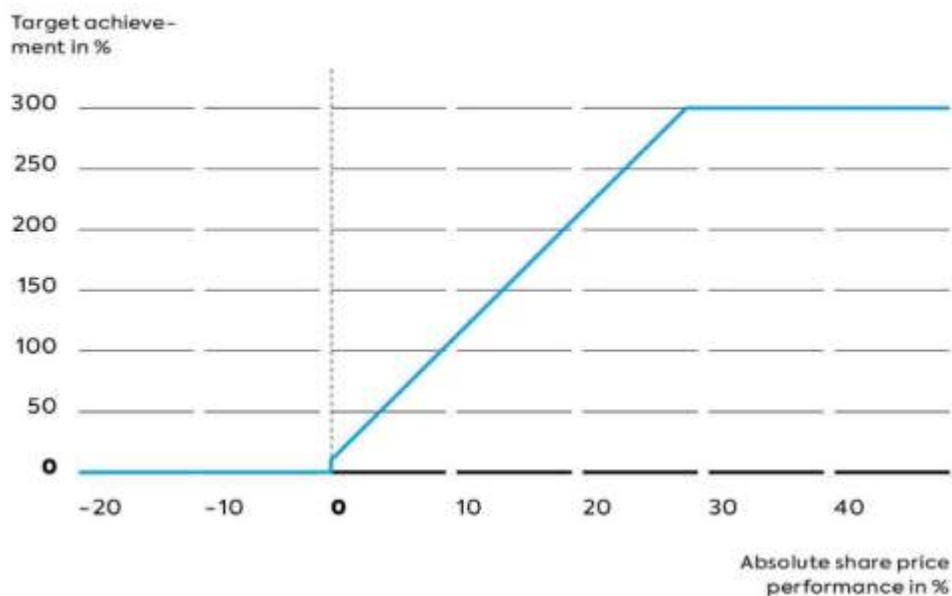
The number of exercisable Performance Shares will further be multiplied with a Company Factor between 0 and 2 as determined by the Supervisory Board. For the Performance Share Plan 2017, the Supervisory Board determined the Company Factor with 1.

After the expiry of the waiting period, the Company fulfills the exercisable performance shares at its discretion in cash or in treasury shares.

### Absolute Share Price Performance

For the absolute performance target, within each yearly period, the 30 days closing price of the MorphoSys shares on the Frankfurt Stock Exchange prior to the beginning of the respective yearly period is compared to the 30 days closing price of the MorphoSys shares on the Frankfurt Stock Exchange prior to the end of the respective yearly period. If in the respective yearly period the share price declines, the achievement of the performance target is 0%. If the share price of the MorphoSys share increases by between 0% and less

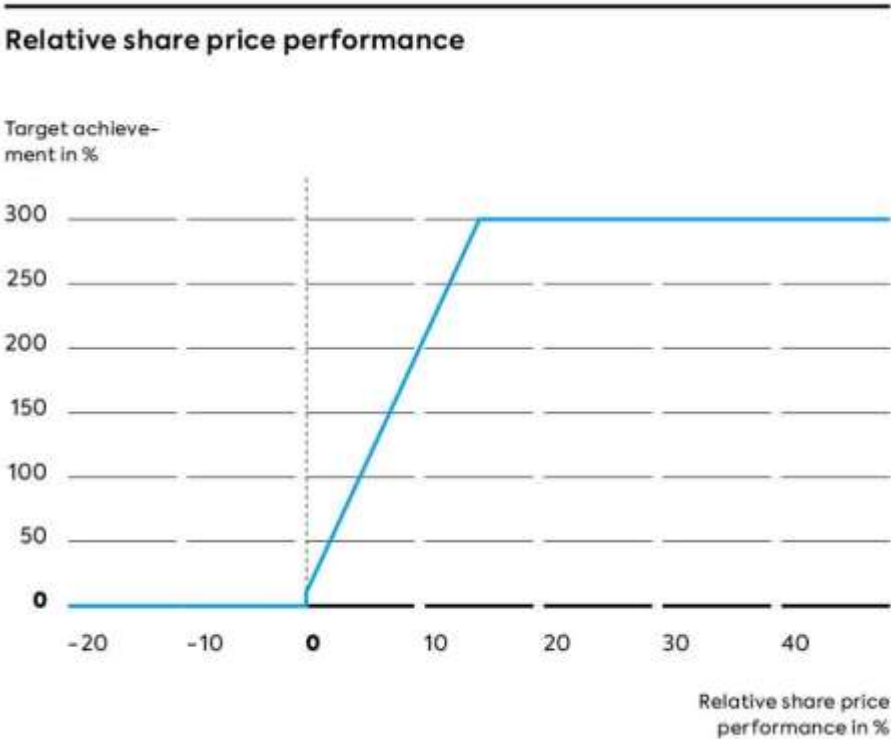
#### Absolute share price performance



than 1%, the achievement of the performance target absolute share price performance in this yearly period is 10%. For each percentage hurdle that the share price development during a yearly period meets or exceeds, the target achievement increases by another 10%. If the share price development of the MorphoSys share during the respective yearly period is 29%, the target achievement of the performance target is 300%. Any further increase of the performance target achievement is not possible (cap).

**Relative Share Price Performance**

For the relative performance target, within each yearly period, the market price of the MorphoSys shares at the beginning of the yearly period is compared to the performance of the NASDAQ Biotech Index and the TecDAX Index (collectively the “Benchmark Index”) and the respective values are put into proportion. Within the Benchmark Index, the NASDAQ Biotech Index and the TecDAX Index are each weighted 50% in a way that the percentage performance per index and per yearly period is added and divided by two. The relevant share price for MorphoSys shares is the average closing auction price in Xetra trading on the Frankfurt Stock Exchange 30 trading days prior to the start and the end of the respective yearly period, respectively. The relevant price of the NASDAQ Biotech Index and the TecDAX Index, respectively, is the average closing price of the NASDAQ Biotech Index and the TecDAX Index, respectively, on the NASDAQ Stock Exchange and on the Frankfurt Stock Exchange, respectively, 30 trading days prior to the start and prior to the end of the respective yearly period. If in the respective yearly period the share price declines compared to the Benchmark Index, the achievement of the performance target is 0%. If the share price of the MorphoSys share increases by between 0% and less than 0.5% compared to the Benchmark Index, the target achievement of the performance target relative share price performance for the respective yearly period is 10%. For each half-percentage hurdle that the share price development during a yearly period meets or exceeds, the target achievement increases by another 10%. If the share price of the MorphoSys share during one yearly period increases by 14.5% compared to the Benchmark Index, the target achievement is 300%. Any further increase in the MorphoSys share price compared to the Benchmark Index does not result in a further increase of the performance target (cap).



During the waiting period, the performance targets were achieved as follows:

	Average price at the beginning of the annual period*	Average price at the end of the annual period*	Share price development (in %)	Target achievement after the end of the waiting period (in %)
<b>Absolute share price performance** MorphoSys AG</b>				<b>+115.00%</b>
First annual period	55.52	81.04	+45.96 %	
Second annual period	81.04	87.86	+8.41 %	
Third annual period	87.86	93.66	+6.61 %	
Fourth annual period	93.66	81.01	(13.49) %	
<b>Relative share price performance*** MorphoSys AG</b>				<b>+145.00%</b>
First annual period	55.52	81.04	+45.96 %	
Second annual period	81.04	87.86	+8.41 %	
Third annual period	87.86	93.66	+6.61 %	
Fourth annual period	93.66	81.01	(13.49) %	
<b>TecDAX Index</b>				
First annual period	1,953.36	2,606.23	+33.26 %	
Second annual period	2,606.23	2,642.31	+1.47 %	
Third annual period	2,642.31	2,689.41	+1.69 %	
Fourth annual period	2,689.41	3,368.32	+25.25 %	
<b>NASDAQ Biotechnology Index</b>				
First annual period	3,090.28	3,462.52	+12.07 %	
Second annual period	3,462.52	3,509.60	+1.34 %	
Third annual period	3,509.60	3,484.14	(1.47) %	
Fourth annual period	3,484.14	4,853.42	+40.35 %	
<b>Overall target achievement</b>				<b>+130.00%</b>

\* Average closing price of the share of MorphoSys AG in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning and the end of the respective annual period, respectively.

\*\* The target achievement for the absolute share price performance on the basis of the above values amounted during the respective annual periods as follows: +300,00% during the first annual period, +90,00% during the second annual period, +70,00% during the third annual period and +0,00% during the fourth annual period.

\*\*\* The target achievement for the relative share price performance on the basis of the above values amounted during the respective annual periods as follows: +300,00% during the first annual period, +150,00% during the second annual period, +130,00% during the third annual period and +0,00% during the fourth annual period.

As regards the Management Board members who left the Management Board prematurely, Simon Moroney, Ph.D., Marlies Sproll, Ph.D., Jens Holstein and Markus Enzelberger, Ph.D., the degree of overall target achievement was evaluated based on the yearly periods that were already completed prior to their departure. As regards Malte Peters, M.D., the overall target achievement of 130% was decisive.



The individual target achievement resulted in a final number of exercisable performance shares (original number of performance shares multiplied with the individual target achievement) as follows:

Management Board member	Original number of performance shares	Target achievement	Final number of performance shares	Quantitative change
Malte Peters, M.D.	3,187	130.00 %	4,143	956
Simon Moroney Ph.D.	4,864	200.00 %	9,728	4,864
Marlies Sproll Ph.D.	2,390	200.00 %	4,780	2,390
Jens Holstein	3,187	173.33 %	5,524	2,337
Markus Enzelberger, Ph.D.	2,047	200.00 %	4,094	2,047

Malte Peters, M.D., and all former members of the Management Board, which were granted performance shares under the Performance Share Plan 2017, have exercised the performance shares they were granted during the exercise period from April 14, 2021, until October 13, 2021, following the expiry of the waiting period on March 31, 2021. The performance shares were settled in treasury shares of the Company. The other current members of the Management Board were not members of the Company's Management Board at the time the performance shares were issued under the Performance Share Plan 2017. As a result, no performance shares under this plan became exercisable for these Management Board members in the 2021 financial year.

### Performance Share Unit Program 2021

In the 2021 financial year, Management Board members were granted a total of 54,232 performance share units under the Company's Performance Share Unit Program 2021. Upon the expiry of the four-year waiting period and subject to the achievement of the defined performance targets, the performance share units will be at the election of the Company settled either in cash or through the transfer of treasury shares of the Company, or by a combination of both.

The following table shows the performance share units allocated to Management Board members in the 2021 financial year:

Management Board member	Allocation amount in € thousands	Allocation price (in €)	Number of allocated PSUs	Maximum number of final PSUs
Jean-Paul Kress, M.D.	1,808	81.02	22,315	44,630
Sung Lee	1,201	81.02	14,824	29,648
Malte Peters, M.D.	693	81.02	8,547	17,094
Roland Wandeler, Ph.D.	693	81.02	8,547	17,094

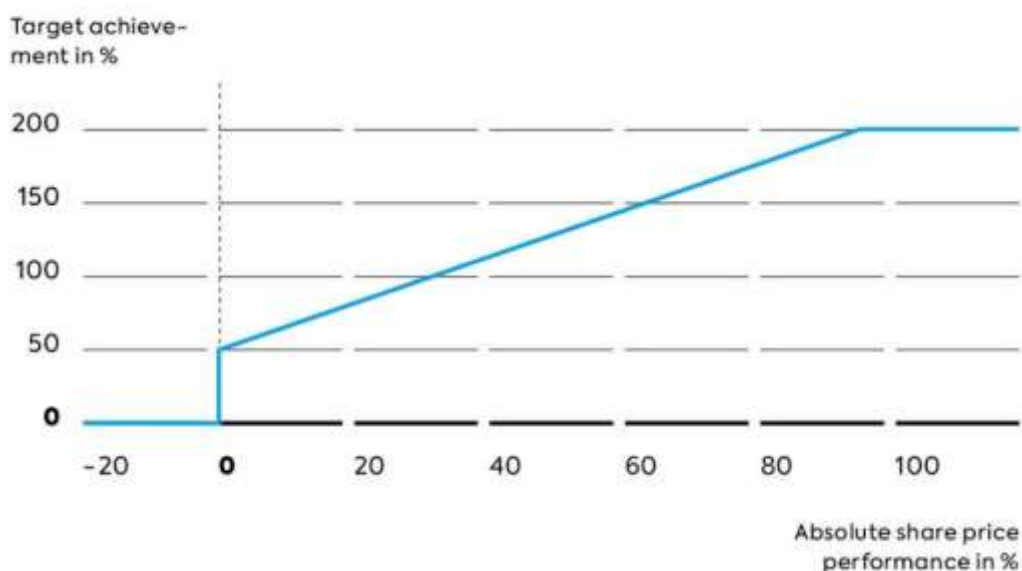
\*The allocation of performance share units to Sung Lee includes 6,277 performance share units granted to him upon joining the Management Board of MorphoSys AG.

The performance targets for the Performance Share Unit Program 2021 as defined by the Supervisory Board are the absolute share price development of the MorphoSys share as well as the relative share price development of the MorphoSys share compared to the development of the EURO STOXX Total Market Pharmaceuticals & Biotechnology and one ESG target, the workforce engagement within MorphoSys Group compared to the beginning of the four-year waiting period and compared to a benchmark value as predefined by the Supervisory Board. Within the overall target achievement at the end of the waiting period, the performance target of the absolute and the relative share price performance are each weighted with 40% and the ESG target is weighted with 20%.

### Absolute Share Price Performance

The absolute performance of MorphoSys AG shares is measured by comparing the average closing price of the MorphoSys AG shares in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning of the four-year waiting period and the three months prior to the end of the four-year waiting period. If the share price declines during the four-year waiting period, the degree of target achievement for the absolute share price performance target is 0%. If the share price performance of the shares of MorphoSys AG during the waiting period is 0%, the degree of target achievement of the performance target is 50%. Thereafter, the degree of target achievement increases linearly. If the MorphoSys AG share price increases by 32% during the four-year waiting period, the degree of target achievement is 100%. If the share price increases by 64% during the four-year waiting period, the degree of target achievement is 150%. If the share price increases by 96% during the four-year waiting period, the degree of target achievement is 200%. A further increase of the degree of target achievement is not possible (cap). Within the overall target achievement, the absolute share price performance is weighted with 40%.

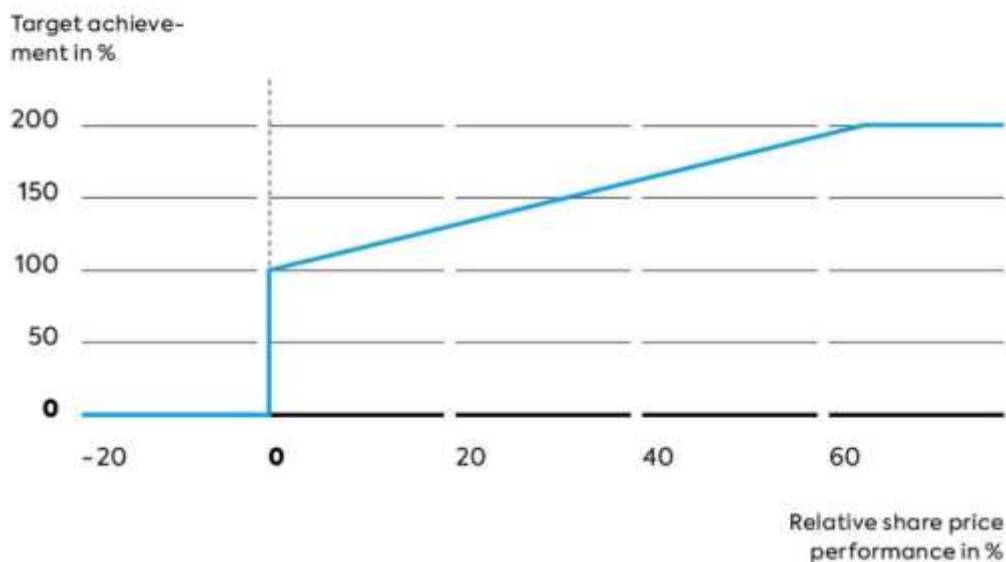
#### Absolute share price performance



### Relative Share Price Development

The relative performance of MorphoSys AG shares is measured by comparing the performance of the MorphoSys AG share price during the waiting period to the performance of the EURO STOXX Total Market Pharmaceuticals & Biotechnology index as the benchmark index. The relevant stock exchange price for MorphoSys AG shares is the average closing price of the shares in Xetra trading on the Frankfurt Stock Exchange during the 30 trading days prior to the beginning of the four-year waiting period and the three months prior to the end of the four-year waiting period. The relevant share price of the EURO STOXX Total Market Pharmaceuticals & Biotechnology index is the average closing price of this index during the 30 trading days prior to the beginning of the four-year waiting period and the three months prior to the end of the four-year waiting period. If the MorphoSys AG share price declines compared to the benchmark index during the four-year waiting period, the degree of target achievement of the relative share price performance target is 0%. If MorphoSys AG's share price performance is 0% compared to the benchmark index, the degree of target achievement of the performance target is 100%. Thereafter, the degree of target achievement increases linearly. If the share price of MorphoSys AG increases by 32% versus the benchmark index, the degree of target achievement is 150%. If the share price of MorphoSys AG increases by 64% versus the benchmark index, the degree of target achievement is 200%. A further increase in the degree of target achievement is not possible (cap). Within the overall target achievement, the relative share price performance is weighted at 40%.

#### Relative share price performance



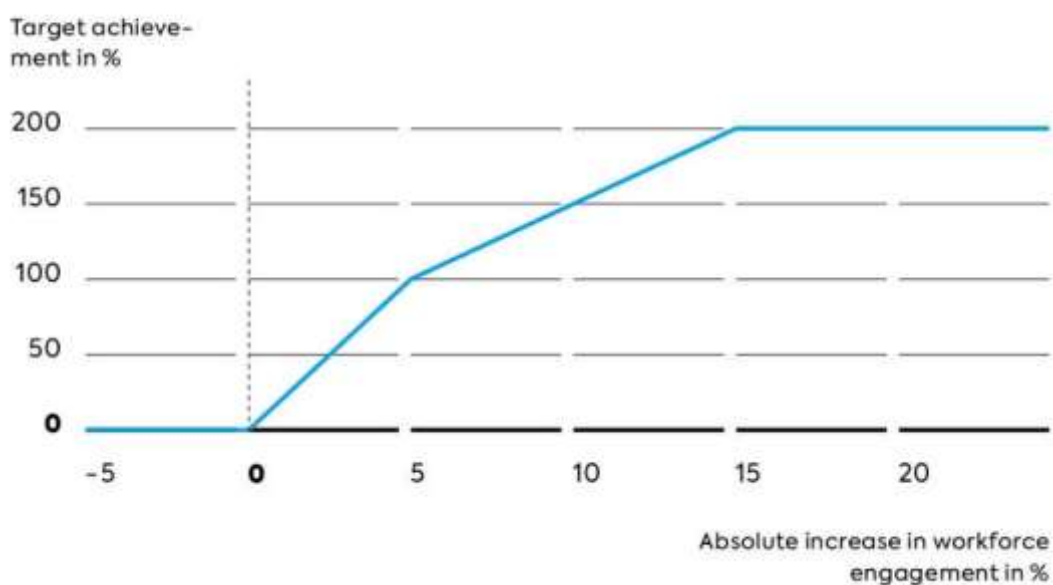
### Development of the Workforce Engagement within the MorphoSys Group

In addition to the absolute and relative share price performance targets, the Supervisory Board has also defined the development of the workforce engagement within the MorphoSys Group during the waiting period as a non-financial target weighted at 20% within the overall target achievement for the Performance Share Unit Program 2021. The target achievement is evaluated as follows:

### Absolute Workforce Engagement

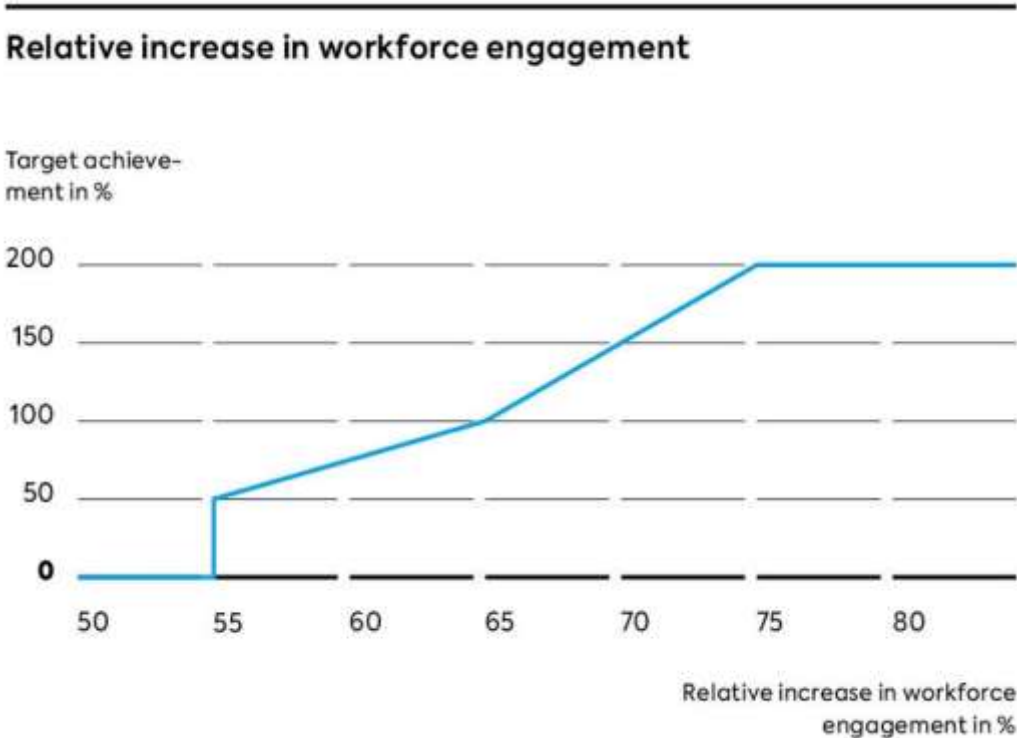
For the performance target of absolute workforce engagement, the workforce engagement of the MorphoSys Group at the beginning of the waiting period is compared to the workforce engagement at the end of the four-year waiting period. If the workforce engagement declines during the waiting period, the target achievement for the absolute workforce engagement is 0%. If the workforce engagement increases by 5% during the waiting period, the target achievement for the absolute workforce engagement is 100%. If the workforce engagement increases by 10%, the target achievement for absolute workforce engagement is 150%. And, finally, if the workforce engagement increases by 15%, the target achievement is 200%. A further increase in the degree of target achievement is not possible (cap). Between the percentage points, the target achievement increases linearly. Within the workforce engagement target, the absolute workforce engagement is weighted with 50%.

#### Absolute increase in workforce engagement



**Relative Workforce Engagement**

For the relative workforce engagement target, the MorphoSys Group’s workforce engagement at the end of the four-year waiting period is compared to a benchmark of 55% set by the Supervisory Board. If the workforce engagement at the end of the waiting period is below 55%, the target achievement for the relative workforce engagement is 0%. If the workforce engagement at the end of the waiting period is 55%, the target achievement for the relative workforce engagement is 50%. If the workforce engagement is 65% at the end of the waiting period, the target achievement for the relative workforce engagement is 100%. If the workforce engagement is 75% at the end of the waiting period, the target achievement for the relative workforce engagement is 200%. A further increase in the degree of target achievement is not possible (cap). Between the percentage points, the target achievement increases linearly. Within the workforce engagement target, the relative workforce engagement is weighted with 50%.



The overall target achievement for the 2021 Performance Share Unit Program, including the resulting final number of performance share units and the payout amount, will be disclosed in the remuneration report for the 2025 financial year.

**IV. Further Remuneration Provisions**

**Compliance with the Maximum Remuneration**

The maximum remuneration as defined in the Remuneration System 2021 does not yet apply to the current members of the Management Board. Nevertheless, there are maximum limits for the annual bonus and the Performance Share Unit Program 2021. The maximum limit for the annual bonus was not exceeded in the 2021 financial year, and the Company ensures that the defined maximum limit for the Performance Share Unit Program 2021 will also not be exceeded.

Compliance with the maximum remuneration will be reported for the first time for the members of the Management Board Jean-Paul Kress, M.D., and Malte Peters, M.D., in the remuneration report for the 2022 financial year.

### Malus and Clawback Provisions

Currently, only the service agreement of Management Board member Sung Lee and the terms and conditions of the Performance Share Unit Program 2021 provide for malus and clawback provisions entitling the Company to withhold or reclaim variable remuneration, in particular in the event of compliance violations or breaches of legal obligations. The Company had no reason to make use of this possibility in the 2021 financial year.

### Benefits upon Termination of the Service Agreements

#### Severance Provisions

The service agreements of the Management Board members contain severance provisions that comply with the requirements of the German Corporate Governance Code. In the event of the premature termination of a Management Board member's service agreement, payments by the Company to the Management Board member, including fringe benefits, shall not exceed the value of two years' annual remuneration (severance payment cap) and shall compensate no more than the remaining term of the service agreement. If the service agreement is terminated for good cause for which the Management Board member is responsible, no payments will be made to the Management Board member. The severance payment cap is calculated on the basis of the total remuneration for the previous full financial year and, where appropriate, also the expected total remuneration for the current financial year.

On the occasion of his departure from the Company with effect as of the end of December 31, 2021, Roland Wandeler, Ph.D., secured a severance payment in the amount of € 806,296, payable in 16 monthly installments. Further, all of the 16,908 Performance Share Units that have been granted to him became fully vested.

#### Change of Control

In the event of a change of control, Management Board members may terminate their service agreements by giving three months' notice against payment of a severance payment. In the case of Jean-Paul Kress, M.D., and Malte Peters, M.D., the amount of the severance payment equals the amount of the fixed base salary and annual bonus still outstanding until the regular end of the service agreement and at least 200% of the gross annual fixed salary and annual bonus. Under the service agreement of Sung Lee, severance payments in the event of an early termination of his service agreement in case of a change of control are limited to the above severance payment cap in accordance with the new requirements of the German Corporate Governance Code.

Further, in the event of a change of control, all stock options, performance share units and performance shares that have been granted will vest with immediate effect and may be exercised upon the expiry of their respective waiting periods.

#### Non-Compete Clause

With all members of the Management Board, non-compete clauses for a period of six months after their departure have been agreed upon. In return, MorphoSys AG is required to pay remuneration in the amount of 100% of the annual base salary for the duration of the non-compete clause following the termination of the service agreement. In the case of Jens Holstein and Roland Wandeler, Ph.D., however, the Company has waived the agreed non-compete clauses.

## V. Individual Disclosure of Management Board Remuneration for the 2021 Financial Year

### Target Remuneration of the Current Management Board Members for the 2021 Financial Year

The following table shows the respective target remuneration for Management Board members for the 2021 financial year. This includes the target remuneration defined for the 2021 financial year, which will be granted in the case the target is fully (100%) achieved. Target remuneration is based on the assumption of continued service of all members of the Management Board throughout the entire 2021 financial year.

		Jean-Paul Kress, M.D. Chief Executive Officer				Sung Lee Chief Financial Officer			
		2021		2020		2021		2020	
		in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total
Fixed remuneration	Base compensation	770.0	22.9%	723.3	24.0%	466.1	22.2%	—	—%
	+ Fringe benefits	170.0	5.1%	216.3	7.2%	104.7	5.0%	—	—%
	+ Pension contributions	—	—%	—	—%	—	—%	—	—%
	= Total	940.0	27.9%	939.6	31.1%	570.8	27.2%	—	—%
Variable remuneration	Short-term incentive (STI)								
	+ Bonus	616.0	18.3%	578.7	19.2%	326.3	15.6%	—	—%
	Long-term incentive (LTI)								
	+ PSUP	1,808.0	53.7%	600.0	19.9%	1,201.0	57.2%	—	—%
	+ SOP	—	—%	900.0	29.8%	—	—%	—	—%
= Total target remuneration	3,364.0	100.0%	3,018.3	100.0%	2,098.0	100.0%	—	—%	
		Malte Peters, M.D. Chief Research and Development Officer				Roland Wandeler, Ph.D.* Chief Operating Officer			
		2021		2020		2021		2020	
		in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total
Fixed remuneration	Base compensation	504.9	31.2%	480.5	30.5%	472.0	27.5%	465.0	26.3%
	+ Fringe benefits	36.1	2.2%	31.5	2.0%	194.6	11.3%	53.7	3.0%
	+ Pension scheme	33.0	2.0%	33.0	2.1%	27.3	1.6%	22.4	1.3%
	= Total	574.0	35.4%	545.0	34.6%	693.9	40.4%	541.2	30.6%
Variable remuneration	Short-term incentive (STI)								
	+ Bonus	353.4	21.8%	336.4	21.4%	330.4	19.2%	325.5	18.4%
	Long-term incentive (LTI)								
	+ PSUP	692.5	42.7%	277.0	17.6%	692.5	40.3%	899.6	50.9%
	+ SOP	—	—%	415.5	26.4%	—	—%	—	—%
= Total target remuneration	1,619.9	100.0%	1,573.9	100.0%	1,716.8	100.0%	1,766.3	100.0%	

\* On the occasion of his appointment as member of the Management Board in the 2020 financial year, Roland Wandeler, Ph.D., received a sign-on bonus totaling US\$ 500 thousand (US\$ 400 thousand in May 2020 and US\$ 100 thousand in May 2021), which is not included in the table.

## Remuneration Awarded and Due to Current Management Board Members in the 2021 Financial Year Pursuant to Section 162 AktG

The following tables present the fixed and variable remuneration components awarded and due to the current Management Board members in the 2020 and 2021 financial years in accordance with Section 162 (1) sentence 1 AktG. The tables include all remuneration amounts actually received by the individual Management Board members in these financial years (“awarded”) and all remuneration legally due but not yet received (“due”).

The amount of the annual bonus (STI) for the 2021 financial year will be determined and paid out during the 2022 financial year and will therefore be included in the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2022 financial year. In contrast, the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in the 2021 financial year also includes the annual bonus for the 2020 financial year which was paid out in February 2021.

Furthermore, in the 2021 financial year, the stock options and performance shares granted in the 2017 financial year became exercisable. The value (in €) of the quantitative change of the number of stock options, i.e. the difference between the final and the originally granted number of stock options, is attributed to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG, based on the fair value of the stock options at the time of their grant in the 2021 financial year. Further, the value of the MorphoSys shares transferred to fulfill the performance shares which became exercisable and were exercised during the 2021 financial year is attributed to the remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG, based on the share price of the MorphoSys AG share at the time of the transfer of the shares.

In addition to the remuneration amounts, the relative percentage share of total remuneration of all fixed and variable remuneration components is also disclosed in accordance with Section 162 (1) sentence 2 no. 1 AktG. These relative percentage shares relate to the remuneration components awarded and due within the meaning of Sec. 162 (1) sentence 1 AktG in the respective financial year.



		Jean-Paul Kress, M.D.* Chief Executive Officer				Sung Lee Chief Financial Officer			
		2021		2020		2021		2020	
		in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total
Fixed remuneration	Base compensation	770.0	39.8%	723.3	23.8%	425.9	87.2%	—	—%
	+ Fringe benefits	170.0	8.8%	1,216.3	40.1%	62.8	12.8%	—	—%
	+ Pension contributions	—	—%	—	—%	—	—%	—	—%
	= Total	940.0	48.6%	1,939.6	63.9%	488.6	100.0%	—	—%
Variable remuneration	Short-term incentive (STI)	—	—%	—	—%	—	—%	—	—%
	+ Bonus	995.3	51.4%	196.0	—%	—	—%	—	—%
	+ Long-term incentive (LTI)	—	—%	—	—%	—	—%	—	—%
	PSUP	—	—%	—	—%	—	—%	—	—%
	SOP	—	—%	900.0	—%	—	—%	—	—%
	PSP (closeout value)	—	—%	—	—%	—	—%	—	—%
	SOP (closeout value)	—	—%	—	—%	—	—%	—	—%
	= Total remuneration as defined by Section 162 AktG	1,935.3	100.00%	3,035.6	100.00%	488.6	100.0%	—	—%
		Malte Peters, M.D.* Chief Research and Development Officer				Roland Wandeler, Ph.D.** Chief Operating Officer			
		2021		2020		2021		2020	
		in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total	in € thou- sands	in % of total
Fixed remuneration	Base compensation	504.9	33.4%	480.5	26.6%	471.9	42.3%	302.3	44.7%
	+ Fringe benefits	36.1	2.4%	531.5	29.4%	279.2	25.0%	373.7	55.3%
	+ Pension contributions	33.0	2.2%	33.0	1.8%	—	—%	—	—%
	= Total	574.0	38.0%	1,045.0	57.8%	751.0	67.4%	676.0	100.0%
Variable remuneration	Short-term incentive (STI)	—	—%	—	—%	—	—%	—	—%
	+ Bonus	578.6	38.3%	347.5	19.2%	363.9	32.6%	—	—%
	+ Long-term incentive (LTI)	—	—%	—	—%	—	—%	—	—%
	PSUP	—	—%	—	—%	—	—%	—	—%
	SOP	—	—%	415.5	23.0%	—	—%	—	—%
	PSP (closeout value)	312.1	20.7%	—	—%	—	—%	—	—%
	SOP (closeout value)	45.5	—%	—	—%	—	—%	—	—%
= Total remuneration as defined by Section 162 AktG	1,510.2	100.0%	1,808.0	100.0%	1,115.0	100.0%	676.0	100.0%	

\* The fringe benefits for Jean-Paul Kress M.D. and Malte Peters M.D. include a special bonus of € 1,000,000 and € 500,000, respectively, in 2020.

\*\* The remuneration of Roland Wandeler, Ph.D., is fully paid by MorphoSys US Inc. 30% of the remuneration are attributable to his position as member of the Management Board of the Company and 70% are attributable to his position as Chief Commercial Officer of MorphoSys US Inc. The fringe benefits include a Sign-On Bonus.

## Remuneration Awarded and Due to Former Management Board Members in the 2021 Financial Year Pursuant to Section 162 AktG

The following table shows the remuneration awarded and due within the meaning of Section 162 (1) para. 1 sentence 1 AktG to the former members of the Management Board. In accordance with Section 162 (5) AktG, personal information regarding former members of the Management Board will not be disclosed if they left the Management Board prior to December 31, 2011.

		Simon Moroney Ph.D. (until August 2019)		Jens Holstein* (until November 2020)		Markus Enzelberger, Ph.D. (until February 2020)		Marlies Sproll Ph.D.** (until October 2017)	
		in € thousands	in % of total	in € thousands	in % of total	in € thousands	in % of total	in € thousands	in % of total
<b>Fixed and variable remuneration</b>	Bonus	—	—%	567.0	17.0%	68.4	25.5%	—	—%
	Other	—	—%	2,309.0	69.2%	—	—%	—	—%
	LTI								
	PSP	716.8	91.2%	414.2	12.4%	170.9	63.6%	190.2	84.8%
	SOP	69.5	8.8%	45.5	1.4%	29.3	10.9%	34.1	15.2%
	Total	786.3	100.0%	3335.8	100.0%	268.6	100.0%	224.4	100.0%

\* For Jens Holstein, a severance payment of € 2,300.0 thousand is included in Other.

\*\* The Management Board activities of Marlies Sproll were suspended in the period from April 15, 2017 to October 31, 2017. Stock options and performance shares were therefore only granted on a pro rata basis in the 2017 financial year.

### C. Remuneration of the Members of the Supervisory Board

The Company's Annual General Meeting on May 19, 2021, adopted a remuneration system for the Supervisory Board.

In addition to reimbursement of their expenses, Supervisory Board members receive an annual fixed base remuneration amounting to € 98,210.00 for the chair of the Supervisory Board, € 58,926.00 for the deputy chair, and € 39,284.00 for all other members of the Supervisory Board.

In addition, the chair of the Supervisory Board receives € 4,000.00 for each Supervisory Board meeting chaired, and the other Supervisory Board members receive € 2,000.00 for each Supervisory Board meeting attended. For committee work, the chair of the Audit Committee receives € 18,000.00, the chair of another committee receives € 12,000.00, and the other committee members each receive € 6,000.00. Committee members also receive € 1,200.00 for each committee meeting attended. Depending on the domicile of the Supervisory Board member and the location of the Supervisory Board meeting, a lump-sum expense allowance of € 2,000.00 may be paid in addition.

In the 2021 financial year, the members of the Supervisory Board received a total of € 625,872.

The fixed annual base remuneration and the remuneration for work on committees are due and payable to Supervisory Board members in equal quarterly installments. Attendance fees and expense allowances for participation in Supervisory Board meetings are due and payable at the end of each calendar year in which the respective meetings took place.

		Base compensation		Committee compensation		Attendance fee		Total remuneration
		in € thousands	in % of total	in € thousands	in % of total	in € thousands	in % of total	in € thousands
Marc Cluzel, M.D., Ph.D.	2021	98.2	59.5 %	6.0	3.6 %	60.8	36.8 %	165.0
	2020	98.2	61.1 %	6.0	3.7 %	56.4	35.1 %	160.6
George Golumbeski, Ph.D.	2021	58.9	57.7 %	12.0	11.8 %	31.2	30.6 %	102.1
	2020	53.3	55.5 %	12.0	12.5 %	30.8	32.0 %	96.1
Krisja Vermeylen	2021	39.3	39.7 %	18.0	18.2 %	41.6	42.1 %	98.9
	2020	39.3	41.1 %	18.0	18.8 %	38.4	40.1 %	95.7
Michael Brosnan	2021	39.3	44.1 %	18.0	20.2 %	31.8	35.7 %	89.1
	2020	39.3	45.8 %	18.0	21.0 %	28.4	33.1 %	85.7
Sharon Curran	2021	39.3	52.6 %	6.0	8.0 %	29.4	39.4 %	74.7
	2020	39.3	52.2 %	6.0	8.0 %	30.0	39.8 %	75.3
Wendy Johnson	2021	39.3	40.9 %	12.0	12.5 %	44.8	46.6 %	96.1
	2020	39.3	44.2 %	10.3	11.6 %	39.2	44.2 %	88.8

#### D. Comparison of Remuneration and Earnings Development

Pursuant to Section 162 (1) sentence 2 no. 2 AktG, the following table presents the earnings development of MorphoSys AG, the annual change in the remuneration of the members of the Management Board and the Supervisory Board, and the annual change in the average remuneration of the employees of MorphoSys AG on a full-time equivalent basis over the last five financial years. With regard to the financial years 2016 to 2019, the average remuneration of the Management Board and the Supervisory Board members is based on the remuneration disclosed in the remuneration report for the respective financial year, whereas for the financial years 2020 and 2021 the remuneration awarded and due within the meaning of Section 162 para. 1 sentence 1 AktG in the respective financial year was used.

The development of earnings is presented by using the net profit/loss of MorphoSys AG for the year as performance indicator.

The average employee remuneration is calculated based on MorphoSys AG's workforce in Germany, which had an average of 431 active employees (full-time equivalents, excluding trainees) in the 2021 financial year.

The average employee remuneration includes personnel expenses for wages and salaries, fringe benefits, employer contributions to social security, any short-term variable remuneration components attributable to the financial year, as well as amounts of share-based remuneration.

The employee remuneration therefore corresponds, in principle, to remuneration awarded and due within the meaning of Section 162 (1) sentence 1 AktG in accordance with the remuneration of the Management Board and the Supervisory Board.

Financial year	2016	change	2017	change	2018	change	2019	change	2020	change	2021
<b>Company earnings performance (in € thousands)</b>											
Net profit/loss	(60,210.2)	(10.1)%	(66,272.2)	(1.1)%	(67,033.8)	(23.9)%	(83,078.5)	(30.7)%	(108,622.3)	(185.8)%	(310,482.2)
<b>Average employee remuneration (in € thousands)</b>											
Average remuneration	93.4	22.4%	114.3	(7.5)%	105.7	(3.3)%	102.3	10.8%	113.3	17.6%	133.2
<b>Management Board remuneration (in € thousands)</b>											
Jean-Paul Kress, M.D.	—	—%	—	—%	—	—%	3,567.9	(14.9)%	3,035.6	(36.2)%	1,935.3
Sung Lee	—	—%	—	—%	—	—%	—	—%	—	***	488.6
Malte Peters, M.D.	—	—%	1,518.3	4.9%	1,592.2	13.9%	1,813.2	(0.3)%	1,808.0	(16.5)%	1,510.2
Roland Wandeler, Ph.D.	—	—%	—	—%	—	—%	—	—%	676.0	64.9%	1,115.0
<b>Former Management Board members (in € thousands)</b>											
Simon Moroney, Ph.D. (until August 31, 2019)	1,448.5	19.0%	1,723.6	32.3%	2,280.8	13.9%	2,596.7	(14.9)%	2,209.8	(64.4)%	786.3
Jens Holstein (until November 13, 2020)*	1,000.8	24.8%	1,249.3	32.5%	1,655.5	12.9%	1,869.3	83.6%	3,432.7	(2.8)%	3,335.8
Markus Enzelberger, Ph.D. (until February 29, 2020)	—	—%	1,029.8	33.6%	1,376.1	6.2%	1,461.8	(55.7)%	647.6	(58.5)%	268.6
Marlies Sproll, Ph.D. (until October 31, 2017)**	967.1	(24.7)%	728.6	(100.0)%	—	—%	—	—%	—	—%	224.4
Arndt Schottelius M.D., Ph.D. (until February 28, 2017)	967.2	(78.9)%	204.0	(100.0)%	—	—%	—	—%	—	—%	—

\* For Jens Holstein, a severance payment of €2,300.0 thousand is included in 2021.

\*\* The Management Board activities of Dr. Marlies Sproll were suspended in the period from April 15, 2017 to October 31, 2017

\*\*\* The display of a change to fiscal 2020 is not possible due to the entry of Sung Lee in February 2021.

Financial year	2016	change	2017	change	2018	change	2019	change	2020	change	2021
<b>Company earnings development (in € thousands)</b>											
Net profit/loss	(60,210.2)	(10.1)%	(66,272.2)	(1.1)%	(67,033.8)	(23.9)%	(83,078.5)	(30.7)%	(108,622.3)	(185.8)%	(310,482.2)
<b>Average employee remuneration (in € thousands)</b>											
Average remuneration	93.4	22.4%	114.3	(7.5)%	105.7	(3.3)%	102.3	10.8%	113.3	17.6%	133.2
<b>Supervisory Board remuneration (in € thousands)</b>											
Marc Cluzel, M.D., Ph.D	86.8	(9.0)%	79.0	38.2%	109.1	36.2%	148.6	8.1%	160.6	2.7%	165.0
George Golumbeski, Ph.D.	—	—%	—	—%	54.2	53.0%	82.9	16.0%	96.1	6.2%	102.1
Krisja Vermeylen	—	—%	45.0	65.3	74.3	20.7%	89.7	6.7%	95.7	3.3%	98.9
Michael Brosnan	—	—%	—	—%	47.6	79.3%	85.3	0.5%	85.7	4.0%	89.1
Sharon Curran	—	—%	—	—%	—	—%	39.4	91.1%	75.3	(0.8)%	74.7
Wendy Johnson	80.0	5.3%	84.2	(0.7)%	83.6	(0.4)%	83.2	6.7%	88.8	8.2%	96.1
<b>Former Supervisory Board members (in € thousands)</b>											
Frank Morich, M.D. (until April 2020)	84.0	(4.3)%	80.4	4.7%	84.2	24.1%	104.5	(68.8)%	32.6	(100.0)%	—
Karin Eastham (until May 2017)	76.6	(55.1)%	34.4	(100.0)%	—	—%	—	—%	—	—%	—
Dr. Metin Colpan (until May 2012)	—	—%	—	—%	—	—%	—	—%	—	—%	—
Klaus Kühn (until May 2018)	67.6	0.9%	68.2	(64.6)%	24.1	(100.0)%	—	—%	—	—%	—
Dr. Walter Blättler (until August 2015)	—	—%	—	—%	—	—%	—	—%	—	—%	—
Dr. Daniel Camus (until August 2015)	—	—%	—	—%	—	—%	—	—%	—	—%	—
Dr. Geoffrey Vernon (until August 2015)	—	—%	—	—%	—	—%	—	—%	—	—%	—

## E. Other Disclosures

MorphoSys maintains directors and officers liability insurance for Management Board members. This insurance covers the personal liability risk in the event that claims are made against members of the Management Board for pecuniary loss in the course of their duties. The insurance includes a deductible for Management Board members that complies with the requirements of the German Stock Corporation Act.

## F. Supplementary Notes

This report is also available in German. In the event of any discrepancies, the German version shall be authoritative.

### II.

#### **Written report of the Management Board on agenda item 7 pursuant to section 203 para. 1 sentence 1 in conjunction with section 186 para. 4 sentence 2 AktG**

**(Resolution on the creation of an Authorized Capital 2022-I under exclusion of subscription rights for the purpose of serving “Restricted Stock Units” to be issued to senior managers and employees (including directors and officers) of U.S. subsidiaries of the Company under a “Restricted Stock Unit Program” of the Company and on the respective amendment of section 5 of the Articles of Association)**

Under agenda item 7, the Management Board and the Supervisory Board propose to the general meeting on May 18, 2022, to create a new authorized capital (Authorized Capital 2022-I). Pursuant to section 203 para. 1 sentence 1 in conjunction with section 186 para. 4 sentence 2 AktG, the Management Board provides the following report on agenda item 7 to the general meeting on the reason for the exclusion of subscription rights of the shareholders when issuing new shares from the Authorized Capital 2022-I:

#### **1. Background on the proposal for the creation of a new Authorized Capital 2022-I**

In 2021, MorphoSys AG acquired Constellation Pharmaceuticals Inc. and thus further increased its already strong local presence in the USA.

An attractive and competitive remuneration program is essential for the recruitment and long-term commitment of highly qualified employees. The existing Restricted Stock Unit Programs of the Company, which were implemented for the purpose of having a share-based employee participation program which also takes into account US standards and expectations, only include senior managers and employees (including directors and officers) of MorphoSys US Inc. Thus, the Management Board intends, with the consent of the Supervisory Board, to resolve on a further Restricted Stock Unit Program to function as a further long-term share-based remuneration component for senior managers and employees (including directors and officers) of all U.S. subsidiaries of the Company, including Constellation Pharmaceuticals Inc. (the “RSUP” or “**Restricted Stock Unit Program**”).

The new RSUP is intended to be substantially similar to the existing Restricted Stock Unit Programs of the Companies. Accordingly, also pursuant to the planned RSUP, the Company shall be allowed to grant so-called “Restricted Stock Units” (“**RSUs**”) to beneficiaries, which – if certain requirements are met – grant the beneficiaries a claim against the Company for a cash payment, depending on the stock exchange price of the shares of the Company (further details are given below under no. 2 of this report). However, the terms and conditions of the RSUP shall give the Company the right to fulfill the cash payment claims of the RSU beneficiaries by delivering shares of the Company. In order for the Company to be able to issue new shares

in such case, and to fulfill the payment claims of the respective beneficiaries under the RSUP when due, the Authorized Capital 2022-I shall be created.

## **2. Key aspects of the planned RSUP**

It is currently planned to implement the RSUP as follows:

### **a. Granting of RSUs to beneficiaries**

Under the RSUP, only senior managers and employees (including directors and officers) of all U.S. subsidiaries of the Company, including Constellation Pharmaceuticals Inc., will be eligible for participation, to the extent they are not at the same time members of the Management Board or employees of MorphoSys AG. Each tranche of the RSUP has a term of three years. The Company may, at the beginning of a tranche, grant a certain number of RSUs to beneficiaries. In this context, the basis for calculation shall be an individual award amount for each beneficiary as well as the stock exchange price of the MorphoSys share. To calculate the exact number of RSUs, the respective individual award amount is divided by the average XETRA closing price of the MorphoSys share on the regulated market of the Frankfurt Stock Exchange on the last 30 trading days before the grant date.

### **b. Vesting and key performance indicators**

In order for a cash payment claim to arise against the Company from the granted RSUs, it is necessary that the RSUs have become partially or fully exercisable at the end of the respective tranche. For this purpose, each tranche will be divided into three annual cycles. One third of the granted RSUs may vest at the end of each annual cycle, subject to the achievement of certain key performance indicators (“KPIs”). The relevant KPIs will be determined by the Board of Directors of MorphoSys US Inc. and Constellation Pharmaceuticals Inc., respectively, with the consent of the Management Board. With respect to the KPIs, the contribution margin of MorphoSys US Inc. and the Monjuvi sales (each weighted with 40%) as well as one Environment Social Governance (ESG) target (weighted with 20%) shall be relevant. The percentage resulting from the KPI achievement will be applied to the relevant one-third portion of RSUs granted to a beneficiary, whereby, however, a minimum hurdle of 50% must be achieved and a cap of 175% exists. The result shall be the number of RSUs that vests, for the relevant annual cycle, at the end of such annual cycle.

The vesting of RSUs for a certain annual cycle (at the end of such cycle) is conditional on the beneficiary still having a service or employment relationship with MorphoSys US Inc. and Constellation Pharmaceuticals Inc, respectively, at the end of the relevant annual cycle. If the beneficiary leaves MorphoSys US Inc. and Constellation Pharmaceuticals Inc., respectively, during the term of a tranche, such beneficiary will retain the RSUs that have vested until the point in time of leaving. The additional RSUs that were granted to such beneficiary will not continue to vest, rather they are forfeited without compensation. No partial vesting will take place within an annual cycle of a tranche.

### **c. Cash payment claim and the option to fulfill in shares**

The RSUs that have vested during the three annual cycles of a tranche will become exercisable at the end of the tranche – i.e. after the end of the third annual cycle. The total number of RSUs that have vested during a tranche determines the respective amount of the cash payment claim of the beneficiary against the Company. The amount of the cash claim resulting from one vested RSU corresponds to the relevant stock exchange price of one MorphoSys share immediately prior to the payout. The cash payment claim of a beneficiary against the Company is thus determined by multiplying the total number of vested RSUs with the relevant stock exchange price of one MorphoSys share immediately prior to the payout. A payout of the respective cash amount shall only be made for all vested RSUs after the expiry of the three-year term of a tranche. In particular, this shall also apply to cases where a beneficiary leaves the respective U.S. subsidiary of the Company during the term of a tranche: The cash payment amount of such leaver,

dependent on the number of vested RSUs, only becomes due and payable after the expiry of the third annual cycle.

The terms and conditions of the RSUP shall give the Company the right to opt, in its full discretion, whether to fulfill the cash payment claims from the beneficiaries' vested RSUs by delivering shares of the Company. In order to give the Company the required flexibility to grant new shares, the Authorized Capital 2022-I shall be created (as laid out in detail under no. 3 of this report). In this regard, the stock exchange price of one MorphoSys share immediately prior to the utilization of the Authorized Capital 2022-I by the Management Board, with the consent of the Supervisory Board, shall be relevant, such that one vested RSU corresponds to one new share.

### **3. Authorized Capital 2022-I**

The registered share capital of the Company currently amounts to € 34,231,943.00. Under the Authorized Capital 2022-I, the Management Board shall be authorized, with the consent of the Supervisory Board, until 17 May 2027 (including), to increase the Company's registered share capital by up to € 1,978,907.00 against cash contributions and/or contributions in kind once or several times by issuing up to 1,978,907 new no-par value bearer shares (*auf den Inhaber lautende Stückaktien*), i.e. by approximately 5.78% of the current registered share capital. Adding together all conditional and authorized capitals of the Company, including the amount of the Authorized Capital 2022-I of up to € 1,978,907.00, and the respective number of up to 1,978,907 new shares and taking into account the proposed reduction of the Conditional Capital 2016-III, the Conditional Capital 2020-I and the Authorized Capital 2019-I, such amount corresponds to a proportion of approximately 46.74%. The total volume of all authorized capitals would amount to € 9,195,696.00, i.e. approximately 26.86% of the current registered share capital. Adding together all conditional and authorized capital under which new shares can be issued in connection with employee incentive programs would result in a total volume of up to € 3,422,561.00 and accordingly a total number of up to 3,422,561 new shares, i.e. around 9.99% of the registered share capital.

To increase the flexibility of the Company and preserve its liquidity, the Company shall be given the possibility, through the creation of the Authorized Capital 2022-I, to fulfill the cash payment claims of beneficiaries whose RSUs have fully vested under the RSUP by delivering new shares. Namely, pursuant to the terms and conditions of the RSUP, the Company shall be authorized to opt, in its full discretion, to fulfill the cash payment claims by delivering shares. The fulfillment of the cash payment claims by delivering shares instead of paying a cash amount has the advantage that no cash outflow will occur and that the Company will continue to have the respective liquidity at its disposal. In the view of the Management Board, the available liquidity should primarily be invested into existing and future research and development programs, as well as into the further setup and expansion of the organization.

### **4. Exclusion of subscription rights and issue price**

Under the Authorized Capital 2022-I, the subscription rights of shareholders shall be excluded in accordance with section 203 para. 1 sentence 1 in conjunction with section 186 paras. 3, 4 AktG. The background is that the Authorized Capital 2022-I shall serve the sole purpose of delivering shares of the Company against the contribution of payment claims resulting from RSUs in order to fulfill RSUs that were granted to Employees under the RSUP. Shares issued from the Authorized Capital 2022-I may solely be issued for this purpose; the issuance of shares for any other purpose – or to other beneficiaries – is not permitted.

The issue price of the new shares from the Authorized Capital 2022-I must amount to at least € 1,00 and can be paid either by way of a cash contribution and/or contribution in kind, including in particular the contribution of claims against the Company under the RSUP. Furthermore, the amount of a cash claim resulting from one fully vested RSU corresponds to the stock exchange price of one MorphoSys share immediately prior to the payout. The Management Board shall be authorized to determine the further details



of the capital increase and its implementation with the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may be determined in deviation from section 60 para. 2 AktG, also for the profit of an already completed fiscal year provided that the shareholders' meeting has not already resolved on the profit participation for such fiscal year when the new shares are issued.

A potential dilution of voting rights of the shareholders whose subscription rights are excluded is limited, amongst others, due to the small size of the Authorized Capital 2022-I. Taking into consideration all relevant factors, the Management Board and the Supervisory Board conclude that the exclusion of subscription rights under the respective limitations is appropriate, necessary and adequate and lies in the best interest of the Company.

#### **5. Utilization of the Authorized Capital 2022-I**

The Management Board will report on the utilization of the Authorized Capital 2022-I each case to the respective following annual general meeting.

### **III.**

#### **Documents and information available on the Company website**

This invitation to the virtual Annual General Meeting, the documents to be made available to the Annual General Meeting and further information in connection with the Annual General Meeting will be available on the website of MorphoSys AG at [www.morphosys.com/agm](http://www.morphosys.com/agm) from the time the Annual General Meeting is convened.

Any countermotions, election proposals and/or requests for supplements from shareholders received by MorphoSys AG and subject to publication will also be made available on the above-mentioned website. There, after the Annual General Meeting, the determined voting results will also be published.

The MorphoSys AG website also provides access to the password-protected web service for the virtual Annual General Meeting, which enables duly registered shareholders or their proxies to exercise their voting rights by way of electronic vote by mail during the Annual General Meeting. The password-protected web service allows duly registered shareholders or their proxies to **visually and audibly follow the Annual General Meeting live in full from 2:00 p.m. (CEST) on May 18, 2022 by electronic link (no electronic participation).**

### **IV.**

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

At the time of convening the Annual General Meeting, the Company's share capital consisted of 34,231,943 no-par value bearer shares. Each share grants one vote. At the time of convening the Annual General Meeting, the Company held 83,154 treasury shares. These shares do not convey any rights to the Company. The total number of shares bearing participation and voting rights at the time of convening the Annual General Meeting was 34,148,789.



## V.

### **Conducting the Annual General Meeting as a virtual Annual General Meeting with visual and audible transmission without the physical presence of the shareholders or their proxies**

In view of the ongoing COVID-19 pandemic, the Annual General Meeting on May 18, 2022 will be held on the basis of the Act Concerning Measures under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020 (Federal Law Gazette I, p. 569, 570), as last amended by Article 15 of the Act of September 10, 2021 (Federal Law Gazette I, p. 4147) (hereinafter "**COVID-19 Related Measures Act**") as a virtual shareholders' meeting without the physical presence of shareholders or their proxies but with the possibility of participation by way of electronic connection (**attendance**).

Shareholders and shareholder proxies (with the exception of the Company's proxies) are therefore not able to physically attend the Annual General Meeting but can follow the entire Annual General Meeting by video and audio transmission on the MorphoSys AG website at [www.morphosys.com/agm](http://www.morphosys.com/agm) via the password-protected web service. This video and audio transmission does not meet the definition of participation in the Annual General Meeting as defined by section 118 para. 1 sentence 2 AktG and does not meet the definition of electronic participation as defined by section 1 para. 2 sentence 1 no. 2, alt. 2 of the COVID-19 Related Measures Act. Instead of the customary admission ticket, duly registered shareholders will be sent individual access details for the password-protected web service together with the AGM ticket, with which the shareholders can use the password-protected web service accessible on the website of MorphoSys AG at [www.morphosys.com/agm](http://www.morphosys.com/agm).

## VI.

### **Password-protected web service for the Annual General Meeting**

A password-protected web service will be available on the website of MorphoSys AG at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) from April 27, 2022, 00:00 hours [beginning of the day] (CEST). Via this service, duly registered shareholders (and, if applicable, their proxies) can, among other things, follow the Annual General Meeting in picture and sound, exercise their voting rights, grant proxies, submit questions or declare objections to the minutes in accordance with the procedures provided for this purpose. In order to use the password-protected web service, they must log in using the individual access details they receive after registering and providing proof of share ownership.

The individual access details for using the password-protected web service at [www.morphosys.com/agm](http://www.morphosys.com/agm) will be sent following timely registration, including receipt by the Company of proof of share ownership (see Section VII. below).

## VII.

### **Requirements for attending the Annual General Meeting and exercising shareholders' rights, particularly voting rights**

Pursuant to Article 17 para. 1 of the Articles of Association, shareholders who register for the Annual General Meeting and provide evidence of their entitlement (**duly registered shareholders**) are entitled to participate in the Annual General Meeting by electronic connection and to exercise their shareholder rights, in particular their voting rights. The registration and proof of entitlement must be submitted to the Company by no later than the end of

**May 11, 2022**

(24:00 hours [midnight] CEST)

at the following address, fax number or email address (e.g., as a scanned file in pdf format):

MorphoSys AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
Germany  
Fax: +49 (0)89 / 889 690 633  
Email: [anmeldung@better-orange.de](mailto:anmeldung@better-orange.de)

Proof of share ownership in text form by the ultimate intermediary pursuant to section 67c para. 3 AktG shall be sufficient evidence of entitlement. The proof must refer to the beginning of the 21st day prior to the Annual General Meeting, specifically

**April 27, 2022**

(00:00 hours [beginning of the day] CEST [record date]).

Better Orange IR & HV AG is the Company's authorized recipient for registration and proof of share ownership.

After timely registration and the receipt by the Company of proof of share ownership, shareholders will be sent individual access details for use of the password-protected web service. We ask shareholders to ensure that they register and send proof of their shareholding to the Company in a timely manner.

Registered holders of American Depositary Shares (ADSs) may obtain shareholder meeting information and materials from The Bank of New York Mellon, PO Box 505000, Louisville, KY 40233-5000, USA. For questions, please contact BNY Mellon Shareowner Services ([shrrelations@cpushareownerservices.com](mailto:shrrelations@cpushareownerservices.com); Tel.: +1-201-680-6825, or toll-free from within the US at +1-888-269-2377).

## **VIII.**

### **Significance of the record date**

The record date is the decisive date for the scope and exercise of participation and voting rights at the Annual General Meeting. In relation to the Company, only persons who have provided proof of share ownership on the record date are deemed to be shareholders for the purpose of attending the Annual General Meeting or exercising voting rights. Persons who do not yet hold shares on the record date and only later become shareholders are not entitled to attend or vote, unless they themselves have been authorized or empowered to exercise rights (see below, Section XI. "Authorization of a third party to exercise voting rights and other rights"). Shareholders who have duly registered and provided proof of share ownership are entitled to attend the Annual General Meeting and exercise their voting rights even if they sell their shares after the record date. The record date does not entail any block on the salability of the shareholding. The record date is not a relevant date for any dividend entitlement.

## **IX.**

### **Exercise of voting rights by electronic vote by mail**

Duly registered shareholders may cast, change or revoke their votes, even without attending the Annual General Meeting, by means of electronic communication (electronic **vote by mail**) using the password-protected web service accessible at [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose. This option of electronic voting by mail will be available until the start of voting at the virtual Annual General Meeting on May 18, 2022. The same applies to revoking or changing votes by electronic vote by mail.

**X.**  
**Exercise of voting rights through issue of power of attorney  
and issue of instructions to Company proxies**

The Company offers duly registered shareholders the opportunity to authorize a proxy appointed by the Company and bound by instructions.

A proxy and instruction form will be sent to these shareholders together with the access details to the password-protected web service accessible at [www.morphosys.com/agm](http://www.morphosys.com/agm), where it can also be downloaded.

Powers of attorney with instructions for the proxies nominated by the Company may be issued, amended, or revoked by

**May 17, 2022**

(24:00 hours [midnight] CEST [date of receipt])

by sending them to the following address, fax number or email address:

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

or by using the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose. The decisive factor is the time of receipt by the Company.

On the day of the virtual Annual General Meeting, powers of attorney with instructions for the proxies appointed by the Company may also be submitted, amended or revoked until the start of voting via the password-protected web service at [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose.

If proxies appointed by the Company are authorized, they must in any case be given instructions on how to exercise voting rights. The proxies are obliged to vote in accordance with the instructions. Without such express instructions, the proxies will not exercise the voting right.

**XI.**  
**Authorization of a third party to exercise voting rights and other rights**

Shareholders may also exercise their voting rights and other rights at the Annual General Meeting by proxy, e.g., by an intermediary, a shareholders' association, a voting advisor or another person of their choice. In this case, too, timely registration of the respective shareholding with the corresponding proof is required. Authorized third parties may in turn exercise their voting rights by electronic voting by mail or by issuing a power of attorney and instructions to the Company's proxies (see above). If the shareholder authorizes more than one person, the Company may reject one or more of them in accordance with section 134 para. 3 sentence 2 AktG.

The granting of the proxy, its revocation, and proof of authorization vis-à-vis the Company require text form (section 126b of the German Civil Code, Bürgerliches Gesetzbuch [BGB]) if no proxy is granted in accordance with section 135 AktG.

A proxy form will be sent to duly registered shareholders together with the access details to the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm), where it is also available for download.

In the case of authorization of intermediaries, shareholders' associations, proxy advisors or persons or institutions equivalent to these pursuant to section 135 para. 8 AktG, the special provisions of section 135 AktG apply, which require, among other things, that the authorization be recorded in a verifiable manner. Exceptions to the general text form requirement may therefore apply here. The relevant proxy recipients may stipulate special rules for their own authorization. Shareholders are therefore requested to consult with the relevant proxy recipients in a timely manner on the respective form and procedure of the authorization.

Authorization may be granted to the proxy or to the Company or amended or revoked. Proof of authorization can be submitted to the Company by

**May 17, 2022**

(24:00 hours [midnight] CEST [date of receipt])

by sending it to the following address, fax number or email address:

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

Fax: +49 (0)89 889 690 655

Email: [morphosys@better-orange.de](mailto:morphosys@better-orange.de)

or by using the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose. The decisive factor is the time of receipt by the Company.

On the day of the virtual Annual General Meeting, proxies may be issued, amended or revoked exclusively using the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose.

The participation of the authorized representative by electronic connection via the password-protected web service requires that the authorized representative receives the corresponding access details to the password-protected web service.

## **XII.**

### **Shareholders' right to information pursuant to section 131 para. 1 AktG in conjunction with section 1 para. 2 COVID-19 Related Measures Act; Shareholders' right to ask questions**

The shareholders' right to information pursuant to section 131 para. 1 AktG is restricted in the case of a virtual Annual General Meeting pursuant to section 1 para. 2 COVID-19 Related Measures Act. Accordingly, shareholders have only the right to ask questions by way of electronic communication (section 1 para. 2 sentence 1 no. 3 COVID-19 Related Measures Act). The Management Board may also stipulate that questions must be submitted no later than one day before the Annual General Meeting (section 1 para. 2 sentence 2 clause 2 COVID-19 Related Measures Act). The Management Board of MorphoSys AG has made use of this option with the consent of the Supervisory Board.

Duly registered shareholders have the right to ask questions by electronic communication (cf. section 1 para. 2 sentence 1 no. 3 COVID-19 Related Measures Act). Any questions must be submitted at the latest one day before the Annual General Meeting, i.e., by the end of

**May 16, 2022**

(24:00 hours [midnight] CEST)

via the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedures provided for this purpose.

Questions submitted after the above deadline or not in German will not be considered. It is possible to name the questioners in principle within the framework of answering the question.

Pursuant to section 1 para. 2, sentence 2 clause 1 of the COVID-19 Related Measures Act, the Management Board shall decide how to answer questions at its dutiful, free discretion.

### **XIII.**

#### **Statement of objections for the record**

Duly registered shareholders who have exercised their voting rights by means of electronic vote by mail or by granting power of attorney may, from the beginning to the end of the Annual General Meeting, declare their objection to resolutions of the Annual General Meeting electronically for the record of the notary public via the password-protected web service accessible at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm) in accordance with the procedure provided for this purpose. Shareholders are not required to attend the Annual General Meeting in person, nor is it possible for them to do so.

### **XIV.**

#### **Requests for supplements to the agenda at the request of a minority pursuant to section 122 para. 2 AktG**

Shareholders whose shares together amount to one-twentieth of the share capital or the proportionate amount of 500,000.00 € of the Company's share capital (equivalent to 500,000 no-par value shares) may request that items be placed on the agenda and published. Each new item must be accompanied by a statement of reasons or a draft resolution. The request must be addressed in writing to the Management Board of MorphoSys AG and must be received by the Company at least 30 days prior to the Annual Shareholders' Meeting, i.e., at the latest by the end of

**April 17, 2022**

(24:00 hours [midnight] CEST)

at the following address:

MorphoSys AG  
The Management Board  
Simmelweisstrasse 7  
82152 Planegg  
Germany

Applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the Management Board's decision on the request, whereby section 70 AktG applies when calculating the period of share ownership. The day of receipt of the request shall not be counted. A transfer from a Sunday, a Saturday or a public holiday to a preceding or following working day shall not be considered. Sections 187 to 193 BGB shall not apply mutatis mutandis.

Additions to the agenda which are to be announced – insofar as they have not already been announced with the convening notice – will be published in the Federal Gazette without delay after receipt of the request and forwarded for publication to such media as can be expected to disseminate the information throughout the European Union. They will also be published on the Internet at [www.morphosys.com/agm](http://www.morphosys.com/agm) and communicated to the shareholders.

## **XV.**

### **Countermotions pursuant to section 126 para. 1 AktG and election proposals pursuant to section 127 AktG in conjunction with section 1 para. 2 sentence 3 COVID-19 Related Measures Act**

In addition, shareholders may submit to the Company countermotions to proposals by the Management Board and/or Supervisory Board on specific items on the agenda and nominations for the election of Supervisory Board members or auditors. Countermotions (together with any grounds), election proposals, and other inquiries from shareholders regarding the Annual General Meeting must be sent exclusively to the following address:

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

Countermotions or election proposals addressed otherwise will not be considered. Better Orange IR & HV AG is the Company's authorized recipient for countermotions and election proposals.

Countermotions and election proposals received up to 14 days prior to the date of the Annual General Meeting, i.e., by the end of

**May 3, 2022**

(24:00 hours [midnight] CEST)

at the above address, fax number or email address with proof of shareholder status that includes the name of the shareholder as well as reasons to be made available, will be made available to the other shareholders on the Internet at [www.morphosys.com/agm](http://www.morphosys.com/agm) after their receipt, provided that the other requirements for an obligation to publish pursuant to section 126 AktG are met. Any comments by the management will also be published at the above Internet address.

In addition to the reasons set out in section 126 para. 2 AktG, the Management Board is also not required to make an election proposal accessible if, among other things, the proposal does not contain the name, occupation and place of residence of the candidate. Proposals for the election of Supervisory Board members also do not have to be made accessible if they are not accompanied by information on the membership of the proposed Supervisory Board candidates in other statutory supervisory boards as defined by section 125 para. 1 sentence 5 AktG.

Pursuant to section 1 para. 2 sentence 3 of the COVID-19 Related Measures Act, motions or election proposals by shareholders which are to be made available pursuant to section 126 or section 127 AktG shall be deemed to have been made at the Annual General Meeting if the shareholder making the motion or submitting the election proposal is duly authorized and registered for the Annual General Meeting.

Further explanations regarding the rights of shareholders pursuant to sections 122 para. 2, 126 para. 1, 127 and 131 para. 1 AktG and in conjunction with section 1 para. 2 COVID-19 Related Measures Act have been made available on the MorphoSys AG website at the Internet address [www.morphosys.com/agm](http://www.morphosys.com/agm).

## **XVI.**

### **Information on data protection for shareholders**

MorphoSys AG processes personal data (name, address, email address, number of shares, class of shares, type of ownership of the shares and number of the voting card ("**AGM ticket**")); if applicable,

name, address and email address of the shareholder representative nominated by the respective shareholder) on the basis of the applicable data protection laws in order to enable shareholders to exercise their rights in the context of the virtual Annual General Meeting and to comply with the legal provisions of an Annual General Meeting, including the provisions of the COVID-19 Related Measures Act on conducting a virtual Annual General Meeting.

The processing of the personal data of shareholders is mandatory for their participation in the virtual Annual General Meeting. MorphoSys AG is the controller for the processing. The legal basis for the processing is Article 6 para. 1 subsection c) of the General Data Protection Regulation (GDPR).

The service providers of MorphoSys AG, which are commissioned for the purpose of organizing the virtual Annual General Meeting (specifically the shareholders' meeting, IT, printing and shipping service providers), receive from MorphoSys AG only such personal data as are necessary for the performance of the commissioned service and process the data exclusively in accordance with the instructions of MorphoSys AG. In addition, shareholder data may be transferred to authorities entitled to receive such information. Your data will not be transferred to a third country.

If shareholders make use of the opportunity to submit questions in advance of the virtual Annual General Meeting and their questions are dealt with at that meeting, their names may be mentioned. This could be noted by other participants in the virtual Annual General Meeting. This data processing by mentioning the name of the respective shareholder is necessary to protect our legitimate interest in making the virtual Annual General Meeting as similar as possible to a physical Annual General Meeting. The legal basis for this processing is Article 6 para. 1 f) GDPR.

As a matter of principle, shareholders' personal data are deleted or made anonymous as soon as they are no longer required for the aforementioned purposes, and we are not obliged by law to continue the storage of that data.

Shareholders have the right of access, rectification, restriction, objection and deletion with regard to the processing of their personal data at all times, as well as a right to transfer the data pursuant to Article 15 et seq. GDPR. These rights may be exercised free of charge vis-à-vis MorphoSys AG by contacting the email address

[datenschutz@morphosys.com](mailto:datenschutz@morphosys.com)

or the following address:

MorphoSys AG  
Simmelweisstrasse 7  
82152 Planegg

In addition, shareholders have a right of appeal vis-à-vis data protection supervisory authorities pursuant to Article 77 GDPR.

You can reach our company data protection officer at:

MorphoSys AG  
Data Protection Officer  
c/o intersoft consulting services AG  
Beim Strohause 17, 20097 Hamburg  
Email: [datenschutz@morphosys.com](mailto:datenschutz@morphosys.com)

Further information on data protection can be found on the website of MorphoSys AG at [www.morphosys.com/privacy-policy](http://www.morphosys.com/privacy-policy).

Planegg, April 2022

MorphoSys AG

The Management Board

**Minimal information pursuant to Section 125 para. 2 German Stock Corporation Act (AktG) in connection with Section 125 para. 5 AktG, Article 4 para. 1 and Table 3 of the Annex to Implementing Regulation (EU) 2018/1212**

Type of Information	Description
<b>A. Specification of the message</b>	
1. Unique identifier of the event	MOR052022oHV
2. Type of message	meeting notice of a General Meeting [format pursuant to Implementing Regulation (EU) 2018/1212: NEWM]
<b>B. Specification of the issuer</b>	
1. ISIN	DE0006632003
2. Name of issuer	MorphoSys AG
<b>C. Specification of the meeting</b>	
1. Date of the General Meeting	18.05.2022 [format pursuant to Implementing Regulation (EU) 2018/1212: 20220518]
2. Time of the General Meeting	14:00 hrs. (CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 12:00 UTC]
3. Type of the General Meeting	Ordinary General Meeting [format pursuant to Implementing Regulation (EU) 2018/1212: GMET]
4. Location of the General Meeting	virtual General Meeting: <a href="http://www.morphosys.com/agm">www.morphosys.com/agm</a> in accordance with the German Stock Corporation Act: MorphoSys AG, Semmelweisstrasse 7, 82152 Planegg, Germany
5. Record Date	27.04.2022 (00:00 hrs. CEST) [format pursuant to Implementing Regulation (EU) 2018/1212: 20220426]
6. Uniform Resource Locator (URL)	<a href="http://www.morphosys.com/agm">www.morphosys.com/agm</a>