

Listing Particulars dated 2 August 2013

Morgan Stanley

under the Program for the Issuance of Notes, Series A and B, Warrants and Certificates

**EUR 25,000,000 Credit-Linked Notes linked to a Reference Portfolio due 20 June 2018
(the "Notes")
Series 6257**

The Offering Circular referred to below (as completed by these Listing Particulars) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Distribution Agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Warning: Neither these Listing Particulars nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Article 5.4 of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**"), and the Listing Particulars and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive in relation to any Notes be offered and sold under hereby.

Application has been made for these Listing Particulars to be approved by the Irish Stock Exchange and to be admitted to the official list of the Irish Stock Exchange and trading on its Global Exchange Market.

THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY INCLUDE SECURITIES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE ISSUER IS NOT REGISTERED AND WILL NOT REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED.

THE NOTES DESCRIBED HEREIN AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR, IN THE CASE OF FTRO NOTES, THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE OFFERING CIRCULAR DATED 27 JUNE 2013. IN PURCHASING THE NOTES, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.

THE NOTES ARE NOT RATED.

This document constitutes the Listing Particulars relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Offering Circular dated 27 June 2013 (the "**Offering Circular**").

These Listing Particulars must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Listing Particulars and the Offering Circular. Copies of the Offering Circular are available from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA. The Offering Circular has also been published on the website of the Irish Stock Exchange (www.ise.ie).

Morgan Stanley

2 August 2013

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, the Issuer accepts such responsibility in respect of itself and its Programme, but does not accept any responsibility for any information contained in the Offering Circular which relates to any other issuer under that issuer's programme for which responsibility is accepted by such other issuer as provided in the Offering Circular.

No person has been authorised to give any information or to make any representations other than those contained in the Offering Circular and these Listing Particulars in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer. Neither the delivery of these Listing Particulars, nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealer does not undertake to review the financial condition or affairs of the Issuer at any time.

The Dealer has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealer as to the accuracy or completeness of the information contained in these Listing Particulars or any other information provided by the Issuer in connection with the Notes. The Dealer does not accept liability in relation to the information contained in these Listing Particulars or any other information provided by the Issuer in connection with the Notes.

Neither these Listing Particulars nor any other information supplied in connection with the Notes constitutes investment advice.

Neither these Listing Particulars nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Dealer that any recipient of these Listing Particulars or any other information supplied in connection with the Notes should purchase any of the Notes.

These Listing Particulars do not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Dealer to subscribe for, or purchase, any Notes. The distribution of these Listing Particulars and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions.

In these Listing Particulars, unless otherwise specified or the context otherwise requires, references to "EUR", "euro" and "€" are to the euro as specified in the Treaty on the Functioning of the European Union.

Capitalised terms and expressions used in the body of these Listing Particulars and not otherwise defined herein have the meanings ascribed to them in the Schedules to these Listing Particulars.

Other Investment Considerations

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular each investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Offering Circular and Listing Particulars or any applicable supplement;**
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**

- (c) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;**
- (d) understand thoroughly the terms of the Notes; and**
- (e) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

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RISK FACTORS

Investments in the Notes involve a number of risks and there can be no assurances that the full (or any) amount invested in the Notes will be returned. This section highlights a limited number of those risks, but is not and does not purport to be a complete list of the risks inherent in a Note investment. Prospective investors should carefully consider the following investment considerations, in addition to the matters set forth elsewhere in these Listing Particulars and the Offering Circular.

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. In deciding whether or not to purchase Notes, Noteholders and prospective purchasers should form their own views of the merits of an investment linked to the credit risk of a basket of Reference Entities (which includes Successors thereof), based upon such investigations and not in reliance on any information given in this document. Noteholders and prospective purchasers of Notes should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

The Notes are not principal protected.

The Notes will not have the benefit of a rating. Any existing rating assigned to the Issuer will not apply to these Notes.

Given the highly specialised nature of these Notes, the Issuer and Morgan Stanley & Co. International plc consider that they are only suitable for highly sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the risk of an investment linked to the credit risk of each Reference Entity. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

Prospective investors will be required to acknowledge or will have been deemed to have acknowledged that they understand the risks and potential consequences associated with purchases of the Notes and that they have made such independent appraisal of each Reference Entity and its economic circumstances as they think appropriate, and have consulted with their own legal, investment, accounting and tax advisors to the extent they believe is appropriate to assist them in understanding and evaluating the risks involved and the consequences of purchasing the Notes.

Potential investors are urged to review the Offering Circular as supplemented by these Listing Particulars for a full detailed description of the Notes and in particular the risk factors associated with the Notes. Investments in the Notes involve a number of risks and there can be no assurance that the full (or any) amount invested in the Notes will be returned. This section highlights a limited number of those risks, but is not and does not purport to be a complete list of the risks inherent in an investment in the Notes.

Risks relating to Credit-Linked Notes

Payment Risk: The payments of the Final Redemption Amount and the amount payable in respect of early redemption of the Notes are linked (amongst other things) to the performance and creditworthiness of a basket of Reference Entities. The occurrence of a Credit Event is likely to result in a corresponding decrease in the Final Redemption Amount or amount payable on early redemption. The Final Redemption Amount may be zero. The amount payable on early redemption of the Notes may also take into account factors including, without limitation, the reasonable costs to the Issuer or its affiliates of terminating, liquidating, obtaining or re-establishing any hedge or related trading position and any loss of bargain and cost of funding and prevailing interest rates and credit spreads. Only sophisticated investors who are experienced in financial matters, familiar with credit-linked instruments (including the Notes and the Reference Obligations upon which payments in respect of the Notes are dependent) and who can bear any losses associated therewith should consider purchasing the Notes.

Volatility: The Notes are complex financial instruments and are linked to the credit of a basket of Reference Entities. Therefore changes in the market value of the Notes could be greater than the change in the market value of the obligations issued by the underlying Reference Entities, and the market value of the Notes is subject to credit, liquidity and interest rate risk. The market value of the Notes (whether indicative or actionable) will vary over time and may be significantly less than the Aggregate Nominal Amount (or even zero) in certain circumstances.

Extension of Maturity: The Scheduled Maturity Date of the Notes is 20 June 2018. Prospective investors should note, however, that if an Extension Notice (as defined below) has been given: (i) on the Scheduled Maturity Date, each Note will be redeemed in part at an amount equal to (x) the Outstanding Principal Amount minus the aggregate Potential Incurred Loss Amount multiplied by (y) a fraction, the numerator of which is the original principal amount of such Note and the denominator of which is the Initial Principal Amount; and (ii) on the Extended Maturity Date (as defined below), each Note will be redeemed at an amount equal to (x) the Initial Principal Amount minus the aggregate Incurred Loss Amount with respect to all Credit Events that have occurred minus any amounts paid on the Scheduled Maturity Date, multiplied by (y) a fraction, the numerator of which is the original principal amount of such Note and the denominator of which is the Initial Principal Amount. The Determination Agent may deliver a notice to the Issuer and the Principal Paying Agent at least one day prior to the Scheduled Maturity Date if it determines in good faith that it is likely that the Maturity Date will take place after the Scheduled Maturity Date. If there is a Potential Credit Event or Unsettled Credit Event, the Notes will be partially redeemed on the Scheduled Maturity Date for any Reference Entities that are not subject to a Potential Credit Event or Unsettled Credit Event.

No Early Redemption following Credit Event: Provided that there is no early redemption of the Notes, any payments on the Notes in respect of principal will only be made on the Scheduled Maturity Date or the Extended Maturity Date, as applicable. No interest will accrue on any such payments. The Notes do not redeem early upon the occurrence of a Credit Event or Event Determination Date but prospective investors should note that the Notes will redeem early if, as a result of Credit Events, the Outstanding Principal Amount of the Notes is irrevocably reduced to zero.

Interest: Prospective investors should note that the first Interest Period shall commence from and including the Issue Date and that interest accrues only on the Outstanding Principal Amount of the Notes (which may reduce from time to time following the occurrence of Credit Events). Interest will cease to accrue altogether on the earlier of (1) the Scheduled Maturity Date and (2) the Event Determination Date as of which the Outstanding Principal Amount of the Notes is reduced to zero. In addition, prospective investors should note that if one or more Potential or Unsettled Credit Events exist on any Interest Payment Date, the relevant portion of that interest payment due on such Interest Payment Date and any subsequent interest payments pertaining to the Affected Principal Amount may be suspended until either the Potential Credit Event is no longer outstanding or a related Event Determination Date has occurred, subject to the detailed provisions of these Listing Particulars.

Credit Event Risk: The Notes are linked to the credit of a basket of Reference Entities and any Successors (see also "Successor Reference Entities" below). Payments under the Notes are dependent upon, among other things, the credit performance of each Reference Entity. Noteholders should be aware that they will suffer loss if the Aggregate Loss Amount exceeds the Subordination Amount and that if the aggregate Incurred Loss Amount is equal to or greater than the Initial Principal Amount, the Outstanding Principal Amount of the Notes will be reduced to zero and the Notes will redeem. Noteholders are therefore exposed to full loss of principal and interest. The terms of the Notes provide that investors will be exposed to the credit risk in respect of the Reference Entities from a date prior to the issue of the Notes and up to and including the Scheduled Maturity Date.

Not all of the Credit Events require an actual default with respect to a Reference Entity's obligations. Thus Noteholders could bear losses based on deterioration in the credit of a Reference Entity short of a default. Also, not all Credit Events are triggered by events which are easily ascertainable and disputes can and have arisen as to whether a specific event with respect to an entity or its corresponding obligation did or did not constitute a Credit Event. Under the terms of the Notes, the Credit Derivatives Determinations Committee, the Issuer's or the Determination

Agent's determination that a Credit Event has or has not occurred will be binding on the Issuer and the Noteholders, and may be different from the view of the Noteholders or other financial institutions, rating agencies or commentators. The determination by the Credit Derivatives Determinations Committee shall prevail.

In addition, the creditworthiness and/or performance of each Reference Entity may be dependent upon economic, political, financial and social events locally and globally. There can be no assurance that such factors will not adversely affect each Reference Entity's creditworthiness and/or performance and, in turn, the performance or value of the Notes. The Notes do not represent a claim against any Reference Entity and, in the event of any loss, Noteholders will not have recourse under the Notes to any Reference Entity.

None of the Issuer, the Determination Agent, their affiliates or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entities. The Determination Agent may have acquired, or during the term of the Notes may acquire, confidential information with respect to such Reference Entities and are not required to disclose this information to the Issuer or any other party.

Some or all of the obligations of any of the Reference Entities may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of a Reference Entity, any resulting diminution in market value of a related obligation could be further magnified by reason of such limited liquidity for such obligations generally or that obligation in particular.

Successor Reference Entities: Prospective investors should note that each Reference Entity may be subject to replacement by one or more Successors. In such event, the Noteholders will be subject to the credit risk of each Successor.

Risks relating to Credit Derivatives Definitions, Credit Derivatives Determinations Committees and Auction Settlement: The terms and conditions of the Notes incorporate certain definitions and provisions of the 2003 Credit Derivatives Definitions, as amended by, inter alia, the July 2009 Supplement and as further amended herein. Accordingly, only investors who are familiar with, and fully understand the definitions and provisions of the Credit Derivatives Definitions and have access to the relevant Credit Derivatives Definitions should consider purchasing the Notes issued hereunder. Prospective investors should be aware that investing in the Notes may not be equivalent to selling credit protection in respect of each of the relevant Reference Entities by way of a market standard credit default swap transaction that incorporates the Credit Derivatives Definitions.

Prospective investors should be aware that, as provided for in the Credit Derivatives Definitions, many of the decisions relating to the terms of the Notes may be determined by the Credit Derivatives Determinations Committee. Prospective investors should be familiar with the rules and the manner in which the Credit Derivatives Determinations Committee is constituted and resolves matters. By purchasing the Notes, investors shall be deemed to agree (a) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the relevant rules and the Credit Derivatives Auction Settlement Terms, shall be liable, whether for negligence or otherwise, except in the case of fraud or wilful misconduct and (b) to waive any such claim, whether for negligence or otherwise, except as aforesaid.

Conflicting Interests: Prospective investors should also note that Morgan Stanley (or an affiliate) is a voting member on each Credit Derivatives Determinations Committee and is a party to transactions that incorporate the July 2009 Supplement. It may take actions that influence the decisions of the Credit Derivatives Determinations Committee. Such actions may be adverse to the interests of the Noteholders while benefiting Morgan Stanley or its affiliate. In taking any action relating to the Credit Derivatives Determinations Committee or performing any duty under the Rules, Morgan Stanley or its affiliate has no obligation to consider the interests of the Noteholders and may act regardless of any conflict of interest due to its responsibilities under the Notes.

Prospective investors should also be aware the Credit Derivatives Determinations Committee will be able to make a broad range of determinations in accordance with the Rules that may be relevant to the Notes and materially affect the Noteholders. The Credit Derivatives Determinations Committee will be able to make determinations without action or knowledge by the Noteholders.

Timing of Settlement: The Issuer or Determination Agent may exercise the right of settlement at any time following the occurrence of a Credit Event even if the Credit Event is not continuing at the time such right is exercised, subject to the provisions of the Credit Derivatives Definitions and the decisions of the Credit Derivatives Determinations Committee. Noteholders have no right to compel the Issuer to exercise its rights and no right to control the timing of such exercise. Furthermore, Noteholders will have no right to remedy, waive or rescind any Credit Event or take any action to mitigate the ultimate loss which may be imposed upon them by virtue of their interest in the Notes and will bear the risk of any change in the value of obligations of the affected Reference Entity between the date of the Credit Event and the date of calculation of the Final Price. During this period there could be a substantial decrease in the value of such obligations.

Auction Settlement and Fallback Selection of Deliverable Obligations: Under the terms of the Notes, the losses associated with a Credit Event will be settled in accordance with an Auction if held. Prospective investors should be familiar with, and understand, the Auction settlement mechanics, in particular, the manner in which the Auction Final Price is determined, as set out in the Credit Derivatives Auction Settlement Terms.

In the event that there is no Auction settlement, the Determination Agent may select any obligations of the relevant Reference Entity (whether as principal, guarantor or otherwise) which satisfy the requirements for a Valuation Obligation. Such obligations are likely to be in default or have a distressed valuation at the time of valuation. Furthermore, in selecting such obligations the Determination Agent will not be required to consider the interests of the holders or mitigate the holders' losses. The Determination Agent will have complete discretion to select the cheapest, most illiquid obligations of the relevant Reference Entity so long as such obligations satisfy the requirements for a Valuation Obligation.

General Risks relating to the Notes

Issuer Credit Risk: All payments on the Notes, including with respect to principal and interest, are subject to the credit risk of Morgan Stanley. If Morgan Stanley declares insolvency or otherwise defaults on the Notes, investors may lose all or some of their investment in the Notes.

Lack of Liquidity: The Notes should be viewed as longer-term investments, not as liquid instruments. There can be no assurance that there will be any secondary market for the Notes. Morgan Stanley is not obligated to make a secondary market in the Notes.

Conflicting Interests: The Determination Agent (as defined in Schedule 3) is an affiliate of the Issuer, and the economic interests of the Determination Agent may be adverse to the interests of the Noteholders. Determinations made by the Determination Agent including the amount payable in the event of early redemption of the Notes, will affect the recovery by the Noteholders of its principal investment and other payments to the Noteholders in respect thereof.

With respect of the Notes, various potential and actual conflicts of interest may arise. Morgan Stanley & Co. International plc and others associated with it may have positions in, and may effect transactions in, securities and instruments of issuers mentioned herein and may also perform or seek to perform investment banking services for the issuers of such securities and instruments. In addition, Morgan Stanley & Co. International plc and others associated with it are involved in the structure relating to the Notes at various levels and various conflicts of interest may arise as a result of the roles each undertakes in the structure as well as from the overall activities of Morgan Stanley & Co. International plc.

Business Dealings with the Reference Entities: Morgan Stanley and its Affiliates may presently or from time to time engage in business with any Reference Entity or any Successor Reference Entity, including entering into loans, making investments and providing investment advisory services. Such business dealings may directly or indirectly affect the creditworthiness of the relevant Reference Entity and accordingly may, in certain cases, result in a Credit Event occurring. Morgan Stanley and its Affiliates take no responsibility for such consequences and are under no obligation to consult with the Noteholders in respect thereof. Furthermore, Morgan Stanley and its Affiliates may have acquired, or during the term of the Notes may acquire, confidential information

regarding any Reference Entity or any Successor Reference Entity. Morgan Stanley and its Affiliates are under no obligation to make such information available to Noteholders.

Tax Considerations: Special tax considerations may apply to certain types of taxpayers. Prospective investors are urged to consult with their own tax advisors to determine any tax implications of this investment.

Accounting Considerations: Special accounting considerations may apply to certain types of investors. Prospective investors are urged to consult with their own accounting advisors to determine implications of this investment.

Early Redemption: If the Notes are redeemed early, the Notes will be redeemed at the Early Redemption Amount which is based on the fair value of the Notes as determined by the Determination Agent.

Regulatory Changes: The recent financial crisis resulted in, and could result in further, unprecedented and considerable change to the laws, regulations and guidelines applicable to financial institutions and the financial industry. These changes to laws, regulations and other guidelines, including those affecting their interpretation or application, could have an impact on the Issuer or the Notes, in ways not yet known or certain. In particular, they could limit its product or service offering or enhance its competitors' ability to rival the Issuer's offering with their own. Also, in spite of the precautions the Issuer takes to prevent such an eventuality, failure to comply with laws, regulations and other guidelines could give rise to penalties and fines that could have an adverse impact on its financial results and reputation.

Other Considerations: Morgan Stanley and its Affiliates (i) may deal in any obligation of a Reference Entity, (ii) may accept information from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, or any obligation of, a Reference Entity (iii) may have placed, underwritten, held, arranged or structured any obligation of a Reference Entity and (iv) may act, with respect to transactions described in the preceding paragraphs (i), (ii) and (iii), in the same manner as if the Notes did not exist and without regard as to whether such action might have an adverse effect on a Reference Entity, any obligation of a Reference Entity, any investment manager or trustee related to any obligation of a Reference Entity, the Issuer or the Noteholders. Although Morgan Stanley and/or its Affiliates may have entered into and may from time to time enter into business transactions with any obligation of a Reference Entity, a Reference Entity or the issuer of any asset which references a Reference Entity and any investment manager or trustee relating to any obligation of a Reference Entity, Morgan Stanley and/or its Affiliates at any time may or may not hold obligations of a Reference Entity or have any business relationship with such entity.

TERMS AND CONDITIONS OF THE NOTES

PART A – CONTRACTUAL TERMS

1. Issuer: Morgan Stanley
2. (i) Series Number: 6257
(ii) Tranche Number: 1
3. Specified Currency or Currencies: Euro (“EUR”)
4. Aggregate Nominal Amount of the Notes:
 - (i) Series: EUR 25,000,000 (the “**Initial Principal Amount**”)
 - (ii) Tranche: EUR 25,000,000
5. Issue Price: 90.5 per cent. of par per Note
6. Specified Denominations (Par): EUR 100,000 and integral multiples of EUR 10,000 thereafter up to and including EUR 190,000.
7. (i) Trade Date: 8 July 2013
(ii) Issue Date: 5 August 2013
(iii) Interest Commencement Date: Issue Date
(iv) Strike Date: Not Applicable
(iv) Determination Date: Not Applicable
8. Maturity Date: Subject to early redemption in respect of the Notes, the Maturity Date shall be the later of:
 - (a) 20 June 2018 (the “**Scheduled Maturity Date**”); and
 - (b) the Extended Maturity Date,provided that, if on a date prior to the Scheduled Maturity Date, the Outstanding Principal Amount of the Notes is irrevocably reduced to zero then such earlier date shall be the Maturity Date.
9. Interest Basis: EUR-EURIBOR-Reuters + 3.25 per cent. per annum Floating Rate

(Further particulars are specified below)

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| 10. | Redemption/Payment Basis: | Credit-Linked Redemption subject to the provisions of Schedule 1 hereto. |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Not Applicable |
| (i) | Redemption at the Option of the Issuer | Not Applicable |
| | (Condition 19.5) | |
| (ii) | Redemption at the Option of the Noteholders | Not Applicable |
| | (Condition 19.7) | |
| (iii) | Other Put/Call Options: | Not Applicable |
| 13. | Status of the Notes: | Condition 4.1 applies |
| | (Condition 4) | |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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|-------|--------------------------------------|--|
| 15. | Fixed Rate Note Provisions | Not Applicable |
| | (Condition 5) | |
| 16. | Floating Rate Note Provisions | Applicable |
| | (Condition 6) | |
| (i) | Interest Payment Dates: | Each of 20 March, 20 June, 20 September and 20 December in each year, commencing on 20 September 2013 and ending on the Scheduled Maturity Date, subject to adjustment in accordance with the Following Business Day Convention |
| (ii) | First Interest Payment Date: | 20 September 2013 |
| (iii) | Interest Period: | As set out in Condition 2, provided that the first Interest Period will commence on the Interest Commencement Date and the final Interest Period will end on the earlier to occur of the Scheduled Maturity Date and the Event Determination Date (if any) as of which the Outstanding Principal Amount of the Notes is reduced to zero. |

(iv)	Business Day Convention:	Following Business Day Convention
(v)	Additional Business Centre(s):	Not Applicable
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	ISDA Determination
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(viii)	Screen Rate Determination:	Not Applicable
(ix)	ISDA Determination	
	• Floating Rate Option:	EUR- EURIBOR-Reuters
	• Designated Maturity:	Three months, provided that linear interpolation shall apply to the first Interest Period only.
	• Reset Date:	Each Interest Payment Date
(x)	Margin(s):	Plus 3.25 per cent. per annum
(xi)	Minimum Rate of Interest:	Not Applicable
(xii)	Maximum Rate of Interest:	Not Applicable
(xiii)	Day Count Fraction:	Actual/360
(xiv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	As set out in Schedule 1 hereto

17.	Zero Coupon Note Provisions (Condition 7)	Not Applicable
18.	Dual Currency-Linked Note Interest Provisions (Condition 8)	Not Applicable
19.	Equity Linked Note Interest Provisions	Not Applicable
20.	Commodity-Linked Note Interest Provisions	Not Applicable
21.	Currency-Linked Interest Note Provisions	Not Applicable
22.	Inflation-Linked Note Interest Provisions	Not Applicable
23.	Credit-Linked Interest Note Provisions	Applicable. The Notes are Credit Linked in accordance with the provisions of Condition 14 (<i>Credit-Linked Notes</i>) as supplemented by the provisions of Schedule 1 and interest accrues in accordance with Condition 6.2 (<i>Accrual of Interest</i>) as amended and restated in Schedule 1.
24.	Property-Linked Interest Note Provisions	Not Applicable
25.	Fund-Linked Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

26.	Call Option (Condition 19.5)	Not Applicable
27.	Put Option (Condition 19.7)	Not Applicable
28.	Final Redemption Amount of each Note (Condition 19.1)	The amount payable in respect of principal on each Note on the Scheduled Maturity Date and, if applicable, the Extended Maturity Date as determined pursuant to the amended and restated Condition 19.1 set out in Schedule 1 hereto.
29.	Dual Currency Redemption Provisions (Condition 8)	Not Applicable

30.	Equity-Linked Redemption Provisions (Condition 10)	Not Applicable
31.	Commodity-Linked Redemption Provisions (Condition 11)	Not Applicable
32.	Currency-Linked Redemption Provisions (Condition 12)	Not Applicable
33.	Inflation-Linked Redemption Provisions (Condition 13)	Not Applicable
34.	Credit-Linked Redemption Provisions (Condition 14)	Applicable. The Notes are Credit Linked in accordance with the provisions of Condition 14 (<i>Credit-Linked Notes</i>) as supplemented in Schedule 1 hereto. The Notes do not redeem early upon the occurrence of a Credit Event.
35.	Property-Linked Redemption Provisions (Condition 15)	Not Applicable
36.	Fund-Linked Redemption Provisions (Condition 16)	Not Applicable
37.	Preference Share Linked Redemption provisions (Condition 17)	Not Applicable
38.	Early Redemption Amount upon early redemption (Conditions 24 and 25) Early Redemption Amount(s) payable on redemption following an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	<p>If the Notes are redeemed in accordance with Conditions 24 or 25 the Notes may be redeemed at the Early Redemption Amount, which shall be the fair value of the Notes on the day that is two Business Days prior to the date of redemption of the Notes, as determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, by reference to factors that the Determination Agent considers relevant, including without limitation, (a) the then interest rates, (b) the value of each embedded derivative and (c) the reasonable costs to the Issuer or its affiliates of unwinding any related hedging arrangements but (d) if the Notes are redeemed following an Event of Default, disregarding any change in the creditworthiness of the Issuer since the Issue Date.</p> <p>For the avoidance of doubt, the occurrence of one or more Event Determination Dates will not result in the early</p>

redemption of the Notes which will be redeemed pursuant to the amended and restated Condition 19.1 (*Redemption and Purchase – Scheduled Redemption*) on the Maturity Date unless otherwise subject to early redemption or purchased and cancelled.

39. Governing Law: English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

40. Form of Notes: Registered Notes:
(Condition 3) Global Note Certificate registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates on 30 days' notice.
- Any Non-U.S. Holder will be subject to U.S. withholding tax unless the beneficial owner of the Note (or a financial institution holding the Note on behalf of the beneficial owner) furnishes the IRS Form W-8BEN, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person. If withholding or deduction of taxes is so required, payments on the Notes will be made net of applicable withholding taxes, and the Issuer will not be required to pay any additional amounts to any Non-U.S. Holder with respect to any taxes withheld.*
41. Record Date: As set out in the Conditions.
42. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
43. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
44. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
45. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
46. Redenomination, renominatisation and: Not Applicable

reconventioning provisions:

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| 47. | Restrictions on free transferability of the Notes: | See "Additional selling restrictions" |
| 48. | Inconvertibility Early Redemption Amount Options: | Not Applicable |
| 49. | Other terms: | See Schedule 1 to Schedule 5 (inclusive) hereto |
| | | Implementation of Financial Transaction Tax: Not Applicable |

DISTRIBUTION

- | | | |
|-----|---------------------------------------|--|
| 50. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager(s) (if any): | Not Applicable |
| 51. | If non-syndicated, name of Dealer: | Morgan Stanley & Co. International plc |
| 52. | U.S. Selling Restrictions: | TEFRA D - Not Applicable |
| 53. | Additional selling restrictions: | No action has been or will be taken by the Issuer, the Dealer, or any of their affiliates that would permit a public offering of the Notes, or possession or distribution of any offering material in relation thereto, in any jurisdiction where action for that purpose is required. Persons into whose hands these Listing Particulars and any offering materials come and any purchaser are required by the Issuer, the Dealer, and any of their affiliates to comply, and will be deemed to represent and undertake that they will comply, with all applicable laws and regulations in each jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering materials, in all cases at their own expense. |

No public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted in any jurisdiction where action for that purpose is required unless the relevant action has been taken.

The Notes must not be offered or sold in any jurisdiction except to persons whose investment activities involve them in acquiring, holding, managing or disposing (as principal or agent) of investments of a nature similar to the Notes and who are particularly knowledgeable in investment matters.

In each member state of the European Economic Area which has implemented the Prospectus Directive (Directive 2003/71/EC), no offer of the Notes to the public (as defined for the purposes of such Directive and any implementing measures in any such member state) may be made, except in circumstances which do not result in any breach of such

Directive and any such implementing measures by the offeror, the Issuer, the Dealer and their respective affiliates. For this purpose an offer shall not be treated as not requiring the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or any corresponding provision of any such implementing measures solely by virtue of the application of Article 3(2)(b) (offer to fewer than 150 persons) or any corresponding provision of any such implementing measures.

PURPOSE OF LISTING PARTICULARS

These Listing Particulars comprise the listing particulars required to list and have admitted to trading on the Global Exchange Market of the Irish Stock Exchange, the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Listing Particulars and, so far as the Issuer is aware, and is able to ascertain, no facts have been omitted which would render the information inaccurate or misleading.

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to trading:	Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market with effect from 5 August 2013.
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2. RATINGS

Ratings:	The Notes will not be rated
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" of the Offering Circular dated 27 June 2013, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. OPERATIONAL INFORMATION

ISIN Code:	XS0953114666
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Common Code:	095311466
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CUSIP:	999CK9B53
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New Global Note:	No
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Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s):	Not Applicable
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Delivery:	Delivery against payment
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Names and addresses of initial Paying Agent(s):	As set out in the Offering Circular
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Names and addresses of additional Paying Agent(s) (if any):	None
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Intended to be held in a manner which would allow Eurosystem eligibility:	No
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5. **TERMS AND CONDITIONS OF THE OFFER**

Offer Price: Not Applicable

Conditions to which the offer is subject: Not Applicable

Description of the application process: Not Applicable

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable

Details of the minimum and/or maximum amount of application: Not Applicable

Details of the method and time limited for paying up and delivering the Notes: Not Applicable

Manner in and date on which results of the offer are to be made public: Not Applicable

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Not Applicable

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. None

SCHEDULE 1- SPECIAL CONDITIONS

The Conditions shall be supplemented and modified by the following Special Conditions. In the event of any inconsistency between the Conditions and such Special Conditions, such Special Conditions shall prevail and the Conditions shall be amended accordingly.

(A) **Condition 6.2** (*Accrual of Interest*) is replaced in its entirety as follows:

“Accrual of Interest.

- (a) The Notes bear interest from the Interest Commencement Date at the Rate of Interest on the Outstanding Principal Amount payable in arrear on each Interest Payment Date, subject as provided in Condition 21 (*Payments – Registered Notes*) and subject as set out below.
- (b) Each Note will cease to bear interest from the earlier of the Scheduled Maturity Date and the Event Determination Date (if any) as of which the Outstanding Principal Amount of the Notes is reduced to zero. Interest in respect of the final Interest Period will be paid on the Scheduled Maturity Date, if the final Interest Period ends on the Scheduled Maturity Date, or on the Interest Payment Date immediately following the Event Determination Date (or if earlier, the Maturity Date) if the final Interest Period ends on the Event Determination Date as of which the Outstanding Principal Amount is reduced to zero.
- (c) For the avoidance of doubt, no interest will accrue on the Notes on or after the Scheduled Maturity Date if the Maturity Date is later than the Scheduled Maturity Date. In addition, if the Outstanding Principal Amount is reduced to zero prior to the Scheduled Maturity Date, no interest will accrue from the Event Determination Date as of which the Outstanding Principal Amount is reduced to zero and the Notes shall be redeemed.
- (d) If, upon due presentation, payment of the Final Redemption Amount is improperly withheld or refused, each Note will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (e) If one or more Potential or Unsettled Credit Events (defined below) has occurred and is outstanding on the date on which an interest payment is due and the aggregate Potential Incurred Loss Amount is greater than zero, the relevant portion of that interest payment and any subsequent interest payments pertaining to the Affected Principal Amount, will be suspended until (i) the Final Price relating to such Potential or Unsettled Credit Event is determined or (ii) in the case of a Potential Credit Event, such Potential Credit Event is no longer outstanding. In the former case, interest for the affected Interest Periods will be recalculated in accordance with the provisions relating to interest following an Event Determination Date set out above in “Interest Period” (both as to the date and the amount of the payment) and any amount by which the interest payable on the Notes exceeds the interest that was actually paid will be made. In the latter case, payment of the suspended amounts relating to the relevant Reference Entity will then be made on the fifth Business Day following the determination that such Potential Credit Event is no longer outstanding.

For the avoidance of doubt, no additional interest will accrue on any suspended amounts.”.

(B) **Condition 6.7** (*Calculation of Interest Amount*) is replaced in its entirety as follows:

“*Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Average Outstanding Principal Amount, multiplying the product by the relevant Day Count Fraction and rounding the

resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). "**sub-unit**", means one cent."

- (C) **Condition 19.1** (*Redemption and Purchase – Scheduled Redemption*) is replaced in its entirety as follows:

"Scheduled Redemption. Save where the Notes have previously been redeemed, or purchased and cancelled–:

- (a) if an Extension Notice has not been given on the Scheduled Maturity Date, each Note will be redeemed at an amount equal to (i) the Outstanding Principal Amount on the Scheduled Maturity Date *multiplied by* (ii) a fraction, the numerator of which is the original principal amount of such Note and the denominator of which is the Initial Principal Amount of the Notes; or
- (b) if an Extension Notice has been given:
 - (i) on the Scheduled Maturity Date, each Note will be redeemed in part at an amount equal to (x) the Outstanding Principal Amount minus the aggregate Potential Incurred Loss Amount *multiplied by* (y) a fraction, the numerator of which is the original principal amount of such Note and the denominator of which is the Initial Principal Amount of the Notes; and
 - (ii) on the Extended Maturity Date, each Note will be redeemed at an amount equal to (x) Initial Principal Amount minus the aggregate Incurred Loss Amount with respect to all credit Events that have occurred minus any amounts paid on the Scheduled Maturity Date *multiplied by* (y) a fraction, the numerator of which is the original principal amount of such Note and the denominator of which is the Initial Principal Amount of the Notes.

If the Notes are subject to further issuance or redeemed, purchased or cancelled in part but not in whole, the Determination Agent will adjust the Initial Principal Amount and any other relevant provisions and calculations provided for in these terms and conditions that would have the effect of preserving the economic equivalence of the Notes.

The Fiscal Agent will on behalf of the Issuer give notice to the Noteholders of the occurrence of (a), (b) or (c) within the definition of "Extension Notice", in which case the Notes will not be redeemed in full on the Scheduled Maturity Date."

- (D) Pursuant to **Condition 14** (*Credit-Linked Notes*), the following provisions of this Special Condition (D) are applicable to the Notes:

"Credit Event Trigger: If a Credit Event occurs on or after the Credit Event Backstop Date and on or prior to the Scheduled Maturity Date and an Event Determination Date occurs in the manner set out in the definition of 'Event Determination Date' (such occurrence, a "**Credit Event Trigger**"), the remaining provisions of this Special Condition (D) will apply.

For the avoidance of doubt and for the purposes of the Credit Derivatives Definitions, if a DC Credit Announcement has occurred in respect of a Reference Entity and the relevant Credit Event is a Restructuring, a Credit Event Notice and Notice of Publicly Available Information with respect to a Restructuring Credit Event shall be deemed to have been delivered by the Determination Agent and be effective on the Credit Event Resolution Request Date and the Determination Agent shall be deemed to have acted as the "Buyer".

For the avoidance of doubt, there will be no redemption of the Notes following a Credit Event Trigger and the Notes will redeem pursuant to Condition 19.1 (Redemption and Purchase – Scheduled Redemption) on the Maturity Date unless redeemed early or purchased and cancelled.

Calculation of Cash Settlement Amount: Following an Event Determination Date, the Cash Settlement Amount will be calculated by the Determination Agent one Business Day after the Final Price is determined. The Final Redemption Amount will be reduced by the Cash Settlement Amount pursuant to the definition of Final Redemption Amount.

Settlement following Restructuring Credit Event: If the Credit Derivatives Determinations Committee holds auctions with respect to a Reference Entity for which an Event Determination Date arising from a Restructuring Credit Event has occurred, the Determination Agent will determine the relevant Auction Final Price based on the remaining time to the Scheduled Maturity Date in accordance with the July 2009 Supplement.

Where a Movement Option arises following a Restructuring Credit Event, the Determination Agent may, in its sole and absolute discretion, elect whether or not to exercise such Movement Option on or prior to the Movement Option Cut-off Date (with such discretion to be exercised as if the Determination Agent were the Buyer under a Credit Derivative Transaction referencing the relevant Reference Entity). If the Determination Agent does not exercise such Movement Option on or prior to the relevant Movement Option Cut-off Date then Cash Settlement as the fallback settlement method shall apply.”

- (E) **Definitions.** Defined terms used in the Conditions and not otherwise defined will have the meanings given to them in Schedules 1 to 5. Defined terms used herein but not otherwise defined shall have the meaning ascribed to them in the 2003 ISDA Credit Derivatives Definitions as supplemented by (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, (ii) the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published on 7 March 2005, and (iii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the “**July 2009 Supplement**”), each as published by the International Swaps and Derivatives Association, Inc. (together, the “**Credit Derivatives Definitions**”) provided that any such meanings shall be deemed to be amended in such manner as the Determination Agent shall determine so as to apply to the Notes including, without limitation, where the Determination Agent so determines (1) by deeming references to the “Calculation Agent” to be references to the Determination Agent (where applicable), (2) by assuming that notices referred to under the Credit Derivatives Definitions have been given, (3) by disregarding any reference to any person consulting with any other person, (4) by assuming that any decision or determination which may be made by the Buyer or the Calculation Agent or any discretion which may be exercised by the Buyer or Calculation Agent has been made or exercised in such manner as the Determination Agent may determine. For the avoidance of doubt, in applying any of the meanings referred to above, no party shall be required to deliver any notice (but without prejudice to any other provision of these terms and conditions regarding the giving of notices). For the avoidance of doubt, the Credit Derivatives Physical Settlement Matrix referred to in the 2005 Matrix Supplement shall, for the purposes of the Notes, be a reference to the version current as of the Trade Date.
- (F) **Determination Agent.** All calculations and determinations by the Determination Agent in respect of the Notes shall be made in its sole and absolute discretion and will, in the absence of manifest error, be conclusive for all purposes and on binding on Morgan Stanley and the Noteholders.

Notwithstanding the above, each determination of the Credit Derivatives Determinations Committee (the “**Committee Determination**”), including the determination of the occurrence or non-occurrence of a Credit Event or Succession Event, that is made prior to the earlier of (x) the Maturity Date and (y) the date all the Notes are redeemed shall be deemed to apply to the Notes as if the Notes were relevant Credit Derivatives Transactions (as defined in the July 2009 Supplement). The Determination Agent shall, within a reasonable time period of such Committee Determination, make all necessary amendments to the terms of the Notes or undertake all necessary actions to give effect to the adoption of the Committee Determination. For the avoidance of doubt, any Committee Determination not to consider a matter shall not preclude the Determination Agent from making a determination on such matter.

In addition, if (i) the Credit Derivatives Determinations Committee or any other governing ISDA committee (or successor thereto) amends or supplements the Credit Derivatives Definitions or (ii) an ISDA Protocol amending or supplementing the Credit Derivative Definitions is accepted by the Issuer or any affiliated entity that is hedging the Issuer’s obligations under the Notes that the Determination Agent reasonably determines in good faith, in the case of either clause (i) or clause (ii), has retroactive impact on credit default swaps and other transactions customarily governed by the ISDA Credit Derivatives Definitions (“**Customary Credit Derivative Transactions**”) and are omitted from, or inconsistent with, the terms and conditions of the Notes (any such amendment, an “**ISDA Amendment**”), the Determination Agent shall make the amendments to the terms and conditions of the Notes that it determines in good faith are necessary in order to give effect to the ISDA Amendment

in a manner that is consistent with changes incorporated into, or made to, Customary Credit Derivative Transactions as a consequence of such ISDA Amendment. The Determination Agent will give prompt written notice to the Issuer and the Principal Paying Agent of such amendments to the terms and conditions of the Notes and the Issuer and Principal Paying Agent will amend the terms of the Notes to be effective as of the date specified by the Determination Agent.

- (G) **Succession Event.** If a Reference Entity is subject to a Succession Event (the “**Original Reference Entity**”), each Successor to such Reference Entity shall be a Reference Entity. Accordingly, the number of Reference Entities will be increased by the number of Successors (except in the case where any Successor is a Reference Entity at the time of the Succession Event).

A Successor may be a Reference Entity notwithstanding that such entity was previously a Reference Entity in respect of which the Conditions to Settlement were satisfied.

If a Successor is already a Reference Entity at the time the provisions for determining Successors are applied, such Successor shall be deemed to be a separate Reference Entity hereunder.

The Reference Entity Notional Amount for each Successor will equal the Reference Entity Notional Amount of the Original Reference Entity immediately prior to the application of the provisions for determining Successors divided by the number of Successors.

SCHEDULE 2 –REFERENCE PORTFOLIO

iTraxx® Europe Series 9 Reference Portfolio (as of 8 July 2013)

Reference Entity	Reference Obligation	Reference Entity Weighting	Transaction Type
ACCOR		0.80%	European Corporate
ASSICURAZIONI GENERALI - SOCIETA PER AZIONI	XS0218469962	0.80%	European Corporate
AXA	XS0130738213	0.80%	European Corporate
Aegon N.V.	XS0207157743	0.80%	European Corporate
Aktiebolaget Electrolux		0.80%	European Corporate
Aktiebolaget Volvo	XS0157960815	0.80%	European Corporate
Akzo Nobel N.V.	XS0170265341	0.80%	European Corporate
Allianz SE	XS0158792381	0.80%	European Corporate
ArcelorMittal	US03938LAD64	0.80%	European Corporate
Aviva Plc	XS0066877258	0.80%	European Corporate
BANCO BILBAO VIZCAYA ARGENTARIA, SOCIEDAD ANONIMA	XS0250172003	0.80%	European Corporate
BANCO SANTANDER, S.A.	XS0262892549	0.80%	European Corporate
BANK OF SCOTLAND PLC	XS0218984572	0.80%	European Corporate
BARCLAYS BANK PLC	XS0232785880	0.80%	European Corporate
BASF SE	DE000A0EUB86	0.80%	European Corporate
BASF Schweiz AG	XS0170386998	0.80%	European Corporate
BNP PARIBAS	XS0255646779	0.80%	European Corporate
Banca Monte dei Paschi di Siena S.p.A.	XS0173287516	0.80%	European Corporate
Banco Espirito Santo, S.A.	XS0210031315	0.80%	European Corporate
Bayer Aktiengesellschaft	XS0145758040	0.80%	European Corporate
Bayerische Motoren Werke Aktiengesellschaft	XS0162732951	0.80%	European Corporate
Bertelsmann AG	XS0268583993	0.80%	European Corporate
British American Tobacco p.l.c.	XS0189727869	0.80%	European Corporate
British Telecommunications Public Limited Company	XS0097283096	0.80%	European Corporate
CADBURY HOLDINGS LIMITED	USU12283AB03	0.40%	European Corporate
COMMERZBANK Aktiengesellschaft	DE0007026882	0.80%	European Corporate
Carrefour	FR0010394478	0.80%	European Corporate
Casino Guichard-Perrachon	FR0000488413	0.80%	European Corporate
Centrica Plc	XS0137672381	0.80%	European Corporate
Clariant AG	XS0249417014	0.80%	European Corporate
Compagnie Financiere Michelin	XS0145903661	0.80%	European Corporate
Compagnie de Saint-Gobain	FR0010094623	0.80%	European Corporate
Compass Group plc	XS0148362501	0.80%	European Corporate
Continental Aktiengesellschaft	XS0139722069	0.80%	European Corporate

Credit Agricole SA	XS0297397811	0.80%	European Corporate
Credit Suisse Group Ltd	XS0229097208	0.80%	European Corporate
DANONE	XS0202955547	0.80%	European Corporate
DEUTSCHE BANK AKTIENGESSELLSCHAFT	DE0006495807	0.80%	European Corporate
DIAGEO PLC	US25243YAJ82	0.80%	European Corporate
DIXONS RETAIL PLC	XS0157632562	0.80%	European Corporate
Daimler AG	US233835AW75	0.80%	European Corporate
Deutsche Lufthansa Aktiengesellschaft	DE000A0JQA39	0.80%	European Corporate
Deutsche Post AG	DE0009279042	0.80%	European Corporate
Deutsche Telekom AG	XS0148956559	0.80%	European Corporate
E.On AG	XS0148579153	0.80%	European Corporate
EDP - ENERGIAS DE PORTUGAL, S.A.	XS0126990778	0.80%	European Corporate
ENDESA, S.A.	XS0162878903	0.80%	European Corporate
ENEL S.P.A.	XS0170342868	0.80%	European Corporate
EXPERIAN FINANCE PLC	XS0162820228	0.80%	European Corporate
Electricite de France	XS0162990229	0.80%	European Corporate
EnBW Energie Baden- Wuerttemberg AG	XS0143722451	0.80%	European Corporate
European Aeronautic Defence and Space Company EADS N.V.	XS0176914579	0.80%	European Corporate
Finmeccanica S.p.A.	XS0182242247	0.80%	European Corporate
Fortum Oyj	XS0180180985	0.80%	European Corporate
France Telecom	FR0000471948	0.80%	European Corporate
GAS NATURAL SDG, S.A.	XS0107330143	1.60%	European Corporate
GDF Suez	FR0000472334	1.60%	European Corporate
GKN Holdings Plc	XS0147740335	0.80%	European Corporate
Glencore International AG	XS0202202957	0.80%	European Corporate
Groupe Auchan	FR0010075531	0.80%	European Corporate
HELLENIC TELECOMMUNICATIONS ORGANISATION SOCIETE ANONYME	XS0173549659	0.80%	European Corporate
Hannover Rueckversicherung AG		0.80%	European Corporate
Henkel AG & Co. KGaA	DE0006641962	0.80%	European Corporate
IBERDROLA, S.A.	XS0163023848	0.80%	European Corporate
INTESA SANPAOLO SPA	XS0186189154	0.80%	European Corporate
J SAINSBURY PLC		0.80%	European Corporate
JTI (UK) FINANCE PLC	XS0193805214	0.80%	European Corporate
KELDA GROUP LIMITED		0.40%	European Corporate
Koninklijke DSM N.V.	XS0235117891	0.80%	European Corporate
Koninklijke KPN N.V.	US780641AG12	0.80%	European Corporate
Koninklijke Philips Electronics N.V.	XS0129477633	0.80%	European Corporate
Kraft Foods Inc.	US50075NAS36	0.40%	European Corporate

LAFARGE	FR0010032730	0.80%	European Corporate
LVMH MOET HENNESSY LOUIS VUITTON	FR0000474223	0.80%	European Corporate
Linde Aktiengesellschaft	XS0297700006	0.80%	European Corporate
Marks and Spencer P.L.C.	XS0138137285	0.80%	European Corporate
Metro AG	DE000A0BCGN2	0.80%	European Corporate
Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft in Muenchen		0.80%	European Corporate
NATIONAL GRID PLC	XS0133729771	0.80%	European Corporate
Nestle S.A.	XS0281831270	0.80%	European Corporate
Next Plc	XS0169287124	0.80%	European Corporate
PEARSON plc	XS0102793642	0.80%	European Corporate
PPR	FR0010068486	0.80%	European Corporate
Peugeot SA	FR0000487159	0.80%	European Corporate
Portugal Telecom International Finance B.V.	XS0215828830	0.80%	European Corporate
PostNL N.V.	NL0000117190	0.80%	European Corporate
RENTOKIL INITIAL PLC	XS0249085852	0.80%	European Corporate
RWE Aktiengesellschaft	XS0147030554	0.80%	European Corporate
Reed Elsevier plc	US758202AD79	0.80%	European Corporate
Renault	FR0000474843	0.80%	European Corporate
Repsol YPF, S.A.	XS0110487062	0.80%	European Corporate
SAFEWAY LIMITED	XS0100362911	0.80%	European Corporate
SANOFI	XS0176128675	0.80%	European Corporate
SOCIETE GENERALE	XS0289186230	0.80%	European Corporate
SODEXO	XS0292924775	0.80%	European Corporate
STMicroelectronics N.V.	XS0247802522	0.80%	European Corporate
Siemens Aktiengesellschaft	XS0131224155	0.80%	European Corporate
Suedzucker Aktiengesellschaft Mannheim/Ochsenfurt	DE0008461021	0.80%	European Corporate
Svenska Cellulosa Aktiebolaget SCA	BE0119096775	0.80%	European Corporate
Swiss Reinsurance Company Ltd	CH0012491335	0.80%	European Corporate
TELECOM ITALIA SPA	XS0184373925	0.80%	European Corporate
THE ROYAL BANK OF SCOTLAND PUBLIC LIMITED COMPANY	XS0235714804	0.80%	European Corporate
THOMSON REUTERS GROUP LIMITED	XS0180277393	0.80%	European Corporate
Tate & Lyle Public Limited Company	XS0150130879	0.80%	European Corporate
Telefonica, S.A.	XS0241946630	0.80%	European Corporate
Telekom Austria Aktiengesellschaft	XS0172844283	0.80%	European Corporate
Telenor ASA	XS0158765064	0.80%	European Corporate
TeliaSonera Aktiebolag	XS0101443538	0.80%	European Corporate

Tesco plc	XS0159012847	0.80%	European Corporate
ThyssenKrupp AG	XS0214238239	0.80%	European Corporate
UBS AG	XS0296237919	0.80%	European Corporate
UNITED UTILITIES PLC	US91311QAC96	0.80%	European Corporate
UniCredit, Societa Per Azioni	XS0185030698	0.80%	European Corporate
Unilever N.V.	US904764AG27	0.80%	European Corporate
VINCI	XS0151548616	0.80%	European Corporate
VOLKSWAGEN AKTIENGESSELLSCHAFT	XS0168881760	0.80%	European Corporate
Valeo	FR0010007468	0.80%	European Corporate
Vattenfall Aktiebolag	XS0191154961	0.80%	European Corporate
Veolia Environnement	XS0142249555	0.80%	European Corporate
Vivendi	FR0010160929	0.80%	European Corporate
Vodafone Group Public Limited Company	XS0169888558	0.80%	European Corporate
WPP 2005 LIMITED	XS0294391684	0.80%	European Corporate
Wolters Kluwer N.V.	XS0181273342	0.80%	European Corporate
YORKSHIRE WATER SERVICES FINANCE LIMITED	XS0109437441	0.40%	European Corporate
Zurich Insurance Company Ltd	XS0201168894	0.80%	European Corporate

Further information on the past and future performance of the Reference Portfolio and its volatility can be obtained by following Bloomberg ticker ITRX EUR CDSI S9 10Y.

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SCHEDULE 3 – GENERAL DEFINITIONS

Affected Principal Amount	As of any date of determination and with respect to each Potential or Unsettled Credit Event, a portion of the Outstanding Principal Amount with a face amount equal to the Potential Incurred Loss Amount relating to such Potential or Unsettled Credit Event.
Affected Reference Entity:	A Reference Entity in respect of which an Event Determination Date has occurred.
Aggregate Loss Amount:	As of any date, the aggregate of all Loss Amounts calculated up until and including that date in respect of all Reference Entities.
Auction Final Price:	The Auction Final Price will be determined in accordance with the Credit Derivatives Auction Settlement Terms pursuant to the July 2009 Supplement, subject to the provisions of paragraph (F) of Schedule 1 hereto.
Average Outstanding Principal Amount:	In respect of each Interest Period, an amount equal to the sum of the Outstanding Principal Amount on each day in the Interest Period divided by the number of days in such Interest Period.
Business Days:	As defined in Condition 2.1.
Cash Settlement Date:	In respect of an Affected Reference Entity, 5 Business Days following the determination of the Final Price.
Cancellation Notice:	Where an Extension Notice has been given, a notice given by the Determination Agent to the Issuer upon making a determination in respect of one or more Reference Entities specified in such Extension Notice that no Credit Event has occurred on or prior to the Scheduled Maturity Date (such determination subject to paragraph (G) of Schedule 1 hereto); or (b) if a Convened DC resolves that a Credit Event of the type referenced in the relevant DC Question has not occurred, in which case a Cancellation Notice shall be deemed to be given.
Credit Event	<p>In respect of each Reference Entity, the Credit Events indicated in the Credit Derivatives Physical Settlement Matrix for the Transaction Type of such Reference Entity as specified in Schedule 2 hereto.</p> <p><i>Certain Credit Event definitions are set out in Schedule 4 hereto.</i></p>
Credit Observation Period:	The period from and including the 60 th calendar day prior to the Trade Date to and including the Scheduled Maturity Date.
Credit Event Resolution Request Date:	The date determined as such in accordance with the Credit Derivatives Definitions, and publicly announced by ISDA, in respect of a notice to ISDA requesting that a Credit Derivatives Determinations Committee be convened to resolve whether a Credit Event has occurred with respect to a Reference Entity or Obligation thereof and if so, the date of the occurrence of such event.
Determination Agent:	Morgan Stanley & Co. International plc or any of its affiliates.
Event Determination Date:	<p>With respect to a Credit Event which occurred during the Credit Observation Period:</p> <p>(a) the Credit Event Resolution Request Date, if a DC Credit Event</p>

Announcement has occurred and

- (1) the relevant Credit Event is not a Restructuring; or
 - (2) (i) the relevant Credit Event is a Restructuring; and (ii) the date on which the Credit Event Notice is delivered and is effective is on or prior to the Exercise Cut-off Date; or
- (b) if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are delivered by the Determination Agent to the Issuer and are effective during either:
- (1) the Notice Delivery Period; or
 - (2) the period (A) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has resolved not to determine that a Credit Event has occurred or the date of such occurrence (B) to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

For the avoidance of doubt, a Credit Event Notice and Notice of Publicly Available Information must still be delivered in order for an Event Determination Date with respect to a Restructuring Credit Event to occur, provided that the Notice of Publicly Available Information Condition to Settlement will be deemed to be satisfied in the event there has been a DC Credit Event Announcement. If the Determination Agent delivers a Credit Event Notice it shall be deemed for the purposes of the Credit Derivatives Definitions to have acted as the Buyer.

Extended Maturity Date: Where an Extension Notice has been given, the earlier of (a) five Business Days following the date on which a Cancellation Notice has been given and (b) the Cash Settlement Date.

If an Extension Notice relates to more than one Reference Entity, the Extended Maturity Date will be the latest date so determined for all such Reference Entities.

Extension Notice: If the Determination Agent determines on or prior to the date falling one Business Day preceding the Scheduled Maturity Date that one or more Potential Credit Events or Unsettled Credit Events exist on such date and the aggregate Potential Incurred Loss Amount is greater than zero, then the Determination Agent shall give notice (the “**Extension Notice**”) to the Issuer and the Principal Paying Agent, giving notice of the following in relation to one or more Reference Entities (which shall be specified in the relevant Extension Notice) that:

- (a) a Credit Event has occurred or may occur on or prior to the Scheduled Maturity Date;
- (b) a Credit Event Resolution Request Date has occurred or may occur on or prior to 14 calendar days after the Scheduled Maturity Date; or
- (c) there is a Potential or Unsettled Credit Event (including in the

circumstances set out in (a) or (b) above).

Following receipt of the Extension Notice, the Principal Paying Agent shall, on behalf of the Issuer, give notice to the Noteholders of the existence of one or more potential or unsettled Credit Events and the extension of the Maturity Date.

Final Price:	In respect of an Affected Reference Entity, the Auction Final Price, if available, provided that if (a) the DC Committee resolves not to make any determination with respect to a Credit Event, (b) the DC Committee resolves not to hold an auction with respect to such Credit Event, (c) an Auction fails to establish an Auction Final Price or (d) the Determination Agent determines that an auction with respect to such Credit Event has not been or will not be held, the Final Price will be determined by the Determination Agent on the basis of bids obtained from dealers in accordance with the Cash Settlement provisions set forth in Schedule 5 hereto.
Final Redemption Amount:	The redemption amount of each Note on the Maturity Date pursuant to Condition 19.1, as amended in Schedule 1 hereto.
Incurred Loss Amount:	<p>Solely with respect to a Reference Entity, an amount equal to the lowest of:</p> <ul style="list-style-type: none">(a) the relevant Loss Amount;(b) the Aggregate Loss Amount (including the Loss Amount for that Reference Entity) minus the Subordination Amount, subject to a minimum of zero; and(c) the Outstanding Principal Amount prior to any reduction thereto in respect of such Reference Entity.
Loss Amount:	With respect to a Reference Entity, an amount equal to (a) (100 per cent. minus the Final Price) multiplied by (b) the Reference Entity Notional Amount for that Reference Entity.
Notice Delivery Period:	With respect to a Reference Entity, the period from and including the Issue Date to and including the date that is fourteen calendar days after the Scheduled Maturity Date.
Outstanding Principal Amount	The Initial Principal Amount of the Notes reduced from time to time by the aggregate amount of all Incurred Loss Amounts (each reduction with effect from the relevant Event Determination Date) determined in respect of all previously settled Credit Events in respect of a Reference Entity, subject to a minimum of zero.
Potential Incurred Loss Amount:	With respect to a Potential or Unsettled Credit Event, an amount equal to the Incurred Loss Amount calculated assuming that the Final Price with respect to each Potential or Unsettled Credit Event is zero.
Potential or Unsettled Credit Event:	Means with respect to each Reference Entity (i) if an Event Determination Date has not occurred in respect of such Reference Entity, an event which the Determination Agent determines may be a Credit Event in respect of such Reference Entity, including where a Credit Derivatives Determinations Committee has been or may be convened to consider whether a Credit Event or a Succession Event has occurred in respect of such Reference Entity, but the Credit Derivatives Determinations Committee has not yet resolved such matter (a “ Potential Credit Event ”) or (ii) if an Event Determination Date has occurred in respect of such Reference Entity, but the relevant Cash Settlement Date has not occurred

(an “**Unsettled Credit Event**”).

Reference Entity:	Each entity identified as such in Schedule 2 and in each case, any Successor(s).
Reference Entity Notional Amount:	In respect of each Reference Entity, the relevant Reference Entity Notional Weighting specified in Schedule 2 hereto, multiplied by the Initial Principal Amount, divided by three per cent.
Reference Obligation:	In respect of each Reference Entity, each obligation identified as such in Schedule 2 hereto.
Reference Portfolio:	The portfolio of Reference Entities specified in Schedule 2 hereto.
Subordination Amount:	EUR 50,000,000

SCHEDULE 4 - CREDIT EVENT DEFINITIONS

Bankruptcy:	Means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).
Failure to Pay:	Means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than \$1,000,000 under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.
Obligations:	With respect to a Reference Entity: (a) the Reference Obligation specified in Schedule 2 hereto and (b) any obligation of the Reference Entity (either directly or as provider of any Qualifying Affiliate Guarantee or, if All Guarantees is specified in the Credit Derivatives Physical Settlement Matrix as being applicable in relation to the Reference Entity, as provider of any Qualifying Guarantee) which falls within the Obligation Category and has the Obligation Characteristics specified in relation to the Transaction Type applicable to the Reference Entity as set out in Credit Derivatives Physical Settlement Matrix. For the avoidance of doubt, unless a DC Credit Event Announcement has occurred with respect to the Reference Entity, the determination of whether an obligation constitute an Obligation shall be made by the Determination Agent in its sole discretion.
Restructuring:	With respect to a Reference Entity, means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as

of the later of (i) the Credit Event Backstop Date and (ii) the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (vi) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (vii) the occurrence of, agreement to or announcement of any of the events described in Sections (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (viii) the occurrence of, agreement to or announcement of any of the events described in items Sections (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

The term "**Obligation**" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Guarantee (either directly or as provider of any Qualifying Affiliate Guarantee or, if All Guarantees is specified in the Credit Derivatives Physical Settlement Matrix as being applicable in relation to the Reference Entity, as provider of any Qualifying Guarantee). In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the first paragraph of the definition of Restructuring above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of the definition of Restructuring above shall continue to refer to the Reference Entity.

Transaction Type:

In respect of each Reference Entity, the Transaction Type identified as such in Schedule 2 hereto.

SCHEDULE 5 – CASH SETTLEMENT PROVISIONS

In the event there is no Auction Final Price for the relevant Credit Event, the Final Price will be determined by the Determination Agent pursuant to the following valuation procedure:

- (a) On the Valuation Date the Determination Agent shall use reasonable efforts to obtain Full Quotations from at least five Dealers.
- (b) If the Determination Agent is unable to obtain two or more Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Determination Agent shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (c) If the Determination Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation of the Reference Entity obtained from Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (d) The Determination Agent shall determine, based on then current market practice in the market for such Valuation Obligation, whether Full Quotations or any quotations comprising a Weighted Average Quotation with respect to such Valuation Obligation shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification.
- (d) The Final Price in respect of such Valuation Obligation shall be the highest Quotation with respect to such Single Valuation Date ("**Highest**").
- (e) The Final Price shall be determined as follows:

In the case of a Reference Entity with respect to which one Valuation Obligation has been selected, the Final Price shall be the Final Price for such Valuation Obligation as determined in accordance with clause (e) above.

In the case of a Reference Entity with respect to which more than one Valuation Obligation has been selected, the Final Price shall be the weighted average (based upon the applicable Quotation Amount of each such Valuation Obligation) of the Final Prices determined for each such Valuation Obligations in accordance with clause (e) above (in each case converted, if necessary, to the Settlement Currency).
- (f) Whenever the Determination Agent is required to act or exercise judgment or make a determination hereunder, it will do so in good faith and in a commercially reasonable manner.

Certain Definitions:

Quotation Amount: An outstanding principal amount of a Valuation Obligation, as selected by the Determination Agent, that (i) is not greater than the outstanding principal amount of the entire issue or facility, as the case may be, of which such Valuation Obligation is a part and is an amount that, when added to the aggregate Quotation Amount(s) of any other Valuation Obligation(s) of the related Reference Entity for which Full Quotations are to be obtained, and (if applicable) converted into the currency of the Notes at a rate determined by the Determination Agent, is not higher than the relevant Reference Entity Notional Amount and (ii) is not less than zero.

Quotation Method: Bid

Valuation Date:	The Valuation Date shall be the date selected by the Determination Agent falling no later than 100 Business Days following the date that the Determination Agent notified the Issuer that Cash Settlement would be applicable.
Valuation Method:	Highest.
Valuation Obligations:	In respect of a Reference Entity, the Reference Obligation (subject to section 2.15(b) of the Credit Derivatives Definitions) and/or any obligation of the Reference Entity included in the Deliverable Obligation Category and having the Deliverable Obligation Characteristics as set out in the Credit Derivatives Physical Settlement Matrix in respect of the relevant Transaction Type, provided that for the purposes of identifying Valuation Obligations, the Credit Derivatives Definitions shall be deemed amended by (a) replacing the words "Delivery Date" with the words "Valuation Date" in Sections 2.20(b)(i) and 2.20(b)(vii); (b) replacing the words "Deliverable Obligation" with the words "Valuation Obligation" in the second paragraph of Section 2.20(b)(i); and (c) replacing the words "Physical Settlement Date" with the words "Valuation Date" in Section 2.20(b)(vi).
Valuation Obligation Notice:	<p>A notice delivered by the Determination Agent on or prior to the Valuation Date to the Issuer that (a) irrevocably confirms that the Cash Settlement provisions will apply; and (b) contains a detailed description of each Valuation Obligation, including the outstanding principal balance or Due and Payable Amount, as applicable, of each such Valuation Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available or applicable, the rate and tenor) of each such Valuation Obligation.</p> <p>The Determination Agent may, from time to time but prior to the Valuation Date, notify the Issuer that the Determination Agent is replacing, in whole or in part, one or more Valuation Obligations specified in the Valuation Obligation Notice (to the extent the relevant Valuation Date will fall after the date such notice of amendment is effective) or the detailed description(s) thereof.</p>
Valuation Time:	11:00 a.m. in the principal trading market for the relevant Valuation Obligation

For the purposes of this Schedule 5, all references in Article VII of the Credit Derivatives Definitions to "Reference Obligation" shall be deemed to be references to "Valuation Obligation" subject to the provisions of paragraph (D) of Schedule 1.

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