

Pricing Supplement dated 12 December 2014

Series Number: W1235

Common Code: 113640073

Tranche: 1

ISIN: XS1136400733

MORGAN STANLEY

as Issuer

Issue of 1,829 Commodity Linked Certificates due 2019 (the "Certificates")

under the

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

The Offering Circular referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of the Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended, including by Directive 2010/73/EU) (together, the "**Prospective Directive**") (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 Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Securities 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 Securities in any other circumstances.

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

THE CERTIFICATES 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.

PART A – CONTRACTUAL TERMS

THE CERTIFICATES DESCRIBED HEREIN, AND ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON EXERCISE OR SETTLEMENT OF THE CERTIFICATES (IF ANY) 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. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE CERTIFICATES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT, AS AMENDED.

THE CERTIFICATES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON THE EXERCISE OR SETTLEMENT OF THE CERTIFICATES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED, EXERCISED OR REDEEMED 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 REGULATION S UNDER THE SECURITIES ACT). HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE OFFERING CIRCULAR DATED 18 AUGUST 2014. IN PURCHASING THE CERTIFICATES, 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 ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.

THE CERTIFICATES ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of Certificates described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Warrants and Certificates (the "**Conditions**") set forth in the Offering Circular dated 18 August 2014 and the supplemental Offering Circulars dated 29 September 2014 and 28 November 2014 (together the "**Offering Circular**"). The Certificates shall constitute Securities for the purposes of the Conditions. This Pricing Supplement must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of this Pricing Supplement 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) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Information Concerning Investment Risk

Certificateholders and prospective purchasers of Certificates should ensure that they understand the nature of the Certificates and the extent of their exposure to risk and that they consider the suitability of the Certificates as an investment in the light of their own circumstances and financial condition. The amount payable on redemption of the Certificates is linked to the performance of the Underlying (as defined herein), and may be less than par. Given the highly specialised nature of these Certificates, Morgan Stanley (the "**Issuer**") and Morgan Stanley & Co. International plc ("**MSI plc**") consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying Index, are willing to take risks and can absorb the partial or complete loss of their initial investment. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Certificates without taking detailed advice from a specialised professional adviser.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in these Certificates. Please see the Offering Circular for a full detailed description of the Certificates and in particular, please review the Risk Factors associated with these Certificates.

In purchasing any Certificates, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Certificates, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Certificates and (iii) in accordance with the terms set out in Annex 2.

Adjustments by the Determination Agent: The terms and conditions of the Certificates will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Certificates or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

Commodity Risk: Prices for commodities are affected by a variety of factors, including changes in supply and demand relationships, governmental programs and policies, national and international political and economic events, wars and acts of terror, changes in interest and exchange rates, trading activities in commodities and related contracts, weather, and agricultural, trade fiscal, monetary and exchange control policies. The price volatility of each commodity also affects the value of the futures and forward contracts related to that commodity and therefore its price at any such time. Importantly, the performance of the Certificates will be determined by, amongst other things, the performance of a futures contract on a commodity, rather than the spot price on that commodity. Futures contracts reflect the expected value of a commodity upon physical delivery in the future, whereas the spot price for a commodity reflects its value for immediate physical delivery. As a result, the price of a futures contract for a commodity can vary significantly from the spot price for that commodity, and while spot and futures prices are usually correlated, there can be no assurance that this will be the case. These factors may affect the prices for the Underlying and the value of the Certificates in varying ways and may cause the closing levels and closing

prices of the Underlying to move in inconsistent directions and at inconsistent rates.

Credit Risk: Investors are exposed to the credit risk of the Issuer. The Certificates are essentially a loan to the Issuer with a repayment amount linked to the performance of the Underlying that the Issuer promises to pay to you at maturity. There is the risk, however, that the Issuer may not be able to fulfil its promise to you. If any companies in the Morgan Stanley group incur losses with respect to any of their activities, this may have a negative impact on the financial condition of the Issuer. You may lose all or part of your investment if the Issuer is unable to pay the coupons or the cash settlement amount and/or goes into liquidation. No assets of the Issuer are segregated and specifically set aside in order to pay the holders of the Certificates in the event of liquidation of the Issuer, and the holders of the Certificates will rank behind creditors who have priority rights over certain assets of the Issuer.

Exit Risk: The secondary market price of the Certificates will depend on many factors, including the value and volatility of the Underlying, interest rates, time remaining to maturity and the creditworthiness of the Issuer. The secondary market price may be lower than the market value of the issued Certificates as at the Issue Date to take into account amounts paid distributors and other intermediaries relating to the issue and sale of the Certificates as well as amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then intrinsic market value of the Note and which may also be less than the amount the holder would have received had the holder held the Note through to maturity.

Liquidity Risk: Any secondary market in the Certificates made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the Certificates it may not be liquid enough to facilitate a sale by the holder.

Hedging Risk: On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Certificates by taking positions in the Underlying, in option contracts on the Underlying or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying as part of their general businesses. Any of these activities could potentially affect the value of the Underlying, and accordingly, could affect the payout to holders on the Certificates.

Potential Conflict of Interest: The Determination Agent (MSI PLC) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Certificates. Determinations made by the Determination Agent, including in the event of a market disruption may affect the amount payable to holders pursuant to the terms of the Certificates.

Secondary Market Risk: The payout described is provided at maturity only. If you sell the Certificates prior to maturity or the Certificates are redeemed by the Issuer for reasons stated in the Offering Circular, there is a risk that the market price could be substantially less than the initial investment. The price of the Certificates prior to maturity will depend on numerous factors including perception of the Issuer's credit quality, for example a downgrade in rating is likely to cause a decrease of the market price of the Certificates. If you may need to access your capital during the investment term, these Certificates may not be suitable for you. Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

TAX CONSIDERATIONS FOR NON-U.S. HOLDERS: A 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 an appropriate 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 required by law, payments on the notes will be made net of applicable withholding taxes, and we will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

GENERAL

1. (i) Issuer: Morgan Stanley

- (ii) Guarantor: Not Applicable
2. Series Number: W1235
3. (i) Aggregate Number of Certificates in the Series: 1,829
- (ii) Aggregate Number of Certificates in the Tranche: 1,829
Subject to a minimum investment of 100 Certificates and integral multiples of 1 Certificate thereof.
4. Settlement Currency: U.S. Dollar (“USD”)
5. Minimum Trading: Not Applicable
6. Issue Date: 12 December 2014
7. Issue Price (Par): USD 1,000
8. Form of Certificates: Registered Certificates
Global Registered Certificate, exchangeable for Individual Registered Certificates on 30 days notice in the limited circumstances described in the Global Registered Certificate.
9. Certificate Style: European Style Certificates
(Condition 5)
- (i) Exercise Period: As defined in Condition 2
- (ii) Potential Exercise Dates: Expiration Date
- (iii) Commencement Date: Issue Date
10. Equity-Linked Settlement Provisions: Not Applicable
(Condition 9)
11. Commodity-Linked Settlement Provisions: Applicable
- (i) Commodity/ies or Commodity Index/Indices: WTI Crude Oil (OIL-WTI-NYMEX) - Bloomberg: CL1 Comdty, CL2 Comdty (the ‘Underlying’)
- (ii) Commodity Reference Price: The official settlement price per barrel on a Pricing Date of West Texas Intermediate light sweet crude oil on the NYMEX of the first nearby month futures contract, stated in USD, as made public by the NYMEX, provided that if such date falls on the last trading day of such First Nearby Month Futures contract (all pursuant to the rules of the NYMEX Division), then the Second Nearby Month Futures Contract on such date.
- (iii) Weighting: Not Applicable
- (iv) Exchange: As specified under Commodity Reference Price
- (v) Determination Agent responsible for calculating the Final Redemption: Morgan Stanley & Co. International plc (the “**Determination Agent**”). The Determination Agent shall act as an expert and not as an agent for the Issuer or the Noteholders. All

	Amount:		determinations, considerations and decisions made by the Determination Agent shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive and the Determination Agent shall have no liability in relation to such determinations except in the case of its wilful default or bad faith.
(vi)	Provisions for determining Cash Settlement Amount:		As defined below
(vii)	Observation Date/ Period:		The period from (but excluding) the Strike Date to (and including) the Determination Date
(viii)	Provisions for determining Cash Settlement Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:		Determination Agent Determination
(ix)	Price Source:		The Exchange as specified under Commodity Reference Price
(x)	Specified Price:		official settlement price, as specified under Commodity Reference Price
(xi)	Delivery Date:		First Nearby Month as specified under Commodity Reference Price
(xii)	Pricing Date:		Each of the Strike Date, Knock-Out Determination Day and the Determination Date. If such date is not a Commodity Business Day, the relevant Pricing Date should be the next following Commodity Business Day, or if a Commodity Disruption Event occurs in respect of the Underlying on that day, subject to Commodity Disruption Fallbacks.
(xiii)	Common Pricing:		Not Applicable
(xiv)	Commodity Disruption Events:		Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price, Material Change in Formula, Material Change in Content and Tax Disruption shall apply.
(xv)	Commodity Disruption Fallback:		Determination Agent Determination as defined in Condition 11.4
(xvi)	Business Day Convention:		Following Business Day Convention
(xvii)	Additional Disruption Events:		Hedging Disruption
(xviii)	Other special terms and conditions:		“Business Day Convention” means Following;
12.	Currency-Linked Provisions	Settlement	Not Applicable
13.	Inflation-Linked Provisions	Settlement	Not Applicable
14.	Property-Linked Provisions	Settlement	Not Applicable

15. Fund-Linked Settlement Provisions Not Applicable
16. Bond-Linked Settlement Provisions Not Applicable

Exercise

17. Expiration Date: 5 December 2019
18. Latest Exercise Time: 10:00 a.m. Brussels time
19. Minimum Exercise Number: Not Applicable
(Condition 6.8)
20. Permitted Multiple: Not Applicable
(Condition 6.8)
21. Deemed Exercise: Applicable
(Condition 6.8)

PROVISIONS RELATING TO SETTLEMENT

21. Issuer Call Option Not Applicable
22. Autocallable Early Settlement Not Applicable
23. Settlement Basis: The Certificates are Cash Settlement Certificates
(Condition 5)
24. Cash Settlement Amount: In respect of each Certificate:
(Condition 5.4)
- The investor will receive, on the Cash Settlement Payment Date, an amount per Certificate, calculated on the Valuation Date, as follows:
1. If the Final Reference Price is greater than its Initial Reference Price **and**:
 - (a) an Upside Knock-Out Event has **not** occurred, the Cash Settlement Amount shall be an amount calculated as follows:
Par * (100% + (Underlying Performance - 1)); OR
 - (b) an Upside Knock-Out Event **has** occurred, the Cash Settlement Amount shall be an amount equal to 100% of Par; OR
 2. If the Final Reference Price is equal to or less than the Initial Reference Price **and**:
 - (a) a Downside Knock-Out Event has **not** occurred shall be an amount calculated as follows:
Par * (100% + (1 - Underlying Performance)); OR
 - (b) If a Downside Knock-Out Event **has** occurred, the Cash Settlement Amount

shall be an amount calculated as follows:

Par * Underlying Performance

Where:

“Initial Reference Price” means the Commodity Reference Price of the Underlying on the Strike Date;

“Final Reference Price” means the Commodity Reference Price of the Underlying on the Determination Date;

“Downside Knock-Out Event” means if on any Knock-Out Determination Day, the Commodity Reference Price is below the Downside Knock-Out Barrier;

“Downside Knock-Out Barrier” means 50 per cent of the Initial Reference Price;

“Knock-Out Determination Day” means Commodity Business Day during the Observation Period, subject to adjustment as specified under Pricing Dates;

“Upside Knock-Out Event” means if on any Knock-Out Determination Day, the Commodity Reference Price is greater the Upside Knock-Out Barrier;

“Upside Knock-Out Barrier” means 150 per cent of the Initial Reference Price;

“Underlying Performance” means an amount calculated as follows:

(Final Reference Price / Initial Reference Price)

- | | |
|-----------------------------------|---|
| (c) Strike Price: | See Initial Reference Price |
| (d) Settlement Price: | See Cash Settlement Amount above |
| (e) Valuation Time: | As defined above |
| (f) Valuation Date: | If Deemed Exercise applies, the Expiration Date |
| (g) Averaging Dates: | Not Applicable |
| (h) Observation Date: | As defined above |
| (i) Strike Date: | 5 December 2014 |
| (j) Cash Settlement Payment Date: | Upon Deemed Exercise, 12 December 2019 |

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

- | | |
|--------------------------|------------------------------|
| (k) Record Date: | As set out in the Conditions |
| (l) Determination Agent: | As defined in the Conditions |

- | | | |
|-----|-------------------------------------|--|
| (m) | Clearing System | Euroclear and Clearstream, Luxembourg |
| (n) | Minimum Transfer Amount: | One Certificate |
| (o) | Inconvertibility Event Provisions: | Not Applicable |
| (p) | Other special terms and conditions: | <p><u>Early Redemption or Cash Settlement Amount Upon Event of Default:</u> If the Securities are accelerated following the occurrence of an Event of Default:</p> <p>Replacement Value: An amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner in its sole and absolute discretion to be the amount that a Qualified Financial Institution would charge either to assume all of the Issuer's payment and other obligations with respect to such Securities as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the holder of the Securities with respect to the Securities.</p> |

DISTRIBUTION

- | | | |
|-----|--|--|
| (q) | If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| (r) | If non-syndicated, name and address of Dealer: | Morgan Stanley & Co. International plc |
| (s) | U.S. Selling Restrictions: | Regulation S |
| (t) | Additional selling restrictions: | Not Applicable |

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the Global Exchange Market of the Irish Stock Exchange of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: *[Handwritten signature]*
.....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application is expected to be 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 the Issue Date. No assurance can be given that such listing will be obtained or when such listing may take place.

Estimate of total expenses related to admission to trading: EUR 500

2. RATINGS

Ratings: The Certificates have not been rated

3. OPERATIONAL INFORMATION

ISIN Code: XS1136400733

Common Code: 113640073

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Securities Agent(s)/Securities Transfer Agent(s): As per the Conditions

Names and addresses of additional Securities Agent(s) and/or Securities Transfer Agent(s) (if any): Not Applicable

ANNEX 1

Any investment in the Certificates made with the intention to offer, sell or otherwise transfer (together, “distribute” and each a “distribution”) such Certificates to prospective investors will be deemed to include, without limitation, the following representations, undertakings and acknowledgements:

- a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;
- b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Offering Circular and the Pricing Supplement and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;
- f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.
- g) you will be committed to purchase at the issue price stated in the term sheet (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as

provided in the definitive documentation, consistent with those in this term sheet (subject to any modifications agreed between us);

- h) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- i) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (h) above, or acting otherwise than as required or contemplated herein.
- j) You are not purchasing the Certificates as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.