

**Pricing Supplement dated 9 January 2019**

**Morgan Stanley Finance LLC**

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

Issue of AUD32,000,000 Zero Coupon Notes due 9 January 2049

(the "Notes")

Guaranteed by Morgan Stanley

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 Notes 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 "**Prospectus 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 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 this Pricing Supplement nor the Offering Circular referred to below constitutes a "prospectus" for the purposes of Article 5.4 of 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 Notes to be offered and sold hereunder .

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

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:**

**THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("MIFID II");**
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR**
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC, AS AMENDED.**

**CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN OR WILL BE PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.**

## PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED 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 ACCOMPANYING OFFERING CIRCULAR DATED 29 JUNE 2018. 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 ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON.

THE NOTES ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of the 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 29 June 2018 as supplemented by the first supplement to the Offering Circular dated 12 September 2018, the second supplement to the Offering Circular dated 10 October 2018 and the third supplement to the Offering Circular dated 8 November 2018 (together, the "Offering Circular"). This Pricing Supplement must be read in conjunction with such Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. In the event of any inconsistency between the Offering Circular and this Pricing Supplement, this Pricing Supplement will govern. 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 Euronext Dublin ([www.ise.ie](http://www.ise.ie)) and the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **Information Concerning Investment Risk**

**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 purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes and (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 Notes.**

**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 the Notes and to review the Offering Circular. Please see the Offering Circular together with this Pricing Supplement for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:**

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

**Credit Risk:** Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment amount 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 redemption 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 Notes in the event of liquidation of the Issuer, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer.

**Market Risk:** The Notes are denominated, and all payments will be made, in Australian Dollars. There are risks inherent in investments in notes denominated and payable in Australian Dollars for investors whose home and/or functional currency is not Australian Dollars. You should consult your financial, legal and tax advisers as to any specific risks entailed by an investment in notes that are denominated and payable in a currency other than the currency of the country in which you are resident or in which you conduct your business. We refer to such country as your “home country” and to the currency of your home country as your “home currency”.

**Exit Risk:** The secondary market price of the Notes will depend on many factors, including interest rates, FX rates, interest rate volatility, time remaining to maturity and the creditworthiness of the Issuer. Depending on the actual or anticipated level of the reference rate, the market value of the notes may decrease and you may receive substantially less than 100% of the issue price if you sell your notes prior to maturity.

**Liquidity Risk:** The Notes will not be traded on an organised exchange. Any secondary market in the Notes 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 Notes it may not be liquid enough to facilitate a sale by the holder.

**The Notes are subject to the Issuer’s redemption right:** The term of the Notes will be limited by the Issuer’s right to redeem the Notes at its option on a specified date if and only if certain pre-defined condition is met. As a result, the term of the Noteholder’s investment in the Notes may be less than the original tenor of the Notes. It is more likely that the Issuer will redeem the Notes when it would be advantageous for Noteholders to continue to hold the Notes. If the Notes are redeemed prior to maturity, the Noteholders may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

**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 Notes 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 Notes.

**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 Notes. Determinations made by the Determination Agent may affect the amount payable to holders pursuant to the terms of the Notes.

**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.

**Morgan Stanley Finance LLC 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.**

1. (i) Issuer: Morgan Stanley Finance LLC

	(ii)	Guarantor:	Morgan Stanley
2.	(i)	Series Number:	K0148
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Australian Dollars ("AUD")
4.		Aggregate Nominal Amount of the Notes:	
	(i)	Series:	AUD32,000,000
	(ii)	Tranche:	AUD32,000,000
5.		Issue Price	100 per cent. of par per Note
6.	(i)	Specified Denominations:	AUD1,000,000
	(ii)	Calculation Amount (Par):	AUD1,000,000
7.	(i)	Issue Date:	9 January 2019
	(ii)	Trade Date:	2 January 2019
	(iii)	Interest Commencement Date	Not Applicable
	(iv)	Strike Date	Not Applicable
	(v)	Determination Date	Not Applicable
8.		Maturity Date:	9 January 2049, subject to adjustment in accordance with the Modified Following Business Day Convention
9.		Interest Basis:	Zero Coupon
10.		Redemption/Payment Basis:	Redemption at Final Redemption Amount
11.		Change of Interest or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Options/Autocallable Early Redemption:	
	(i)	Redemption at the Option of the Issuer: (Condition 21.5)	Applicable
	(ii)	Redemption at the Option of the Noteholders: (Condition 21.7)	Not Applicable
	(iii)	Autocallable Early Redemption: (Condition 18)	Not Applicable
	(iv)	Other put/call options:	Not Applicable
13.	(i)	Status of the Notes: (Condition 4)	As set out in Condition 4.1
	(ii)	Status of the Guarantee:	As set out in Condition 4.2

14. Method of distribution: Non-syndicated

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** (Condition 5) Not Applicable
16. **Floating Rate Note Provisions** (Condition 6) Not Applicable
17. **Zero Coupon Note Provisions** (Condition 7) Applicable
- (i) Accrual Yield: 5.10 per cent. per annum
- (ii) Reference Price: 100.00 per cent.
- (iii) Day Count Fraction: 30/360 (ISDA)
- (iv) Additional Business Centre(s): London and Sydney
- (v) Any other formula/basis of determining amount payable Not Applicable
18. **Dual Currency-Linked Note Interest Provisions** (Condition 8) Not Applicable
19. **Equity-Linked Note Provisions** (Condition 10) Not Applicable
20. **Commodity Linked Interest Note Provisions** (Condition 11) Not Applicable
21. **Currency-Linked Interest Note Provisions** (Condition 12) Not Applicable
22. **Inflation-Linked Interest Note Provisions** (Condition 13) Not Applicable
23. **Property-Linked Interest Note Provisions** (Condition 14) Not Applicable
24. **Fund-Linked Interest Note Provisions** (Condition 15) Not Applicable
25. **Credit-Linked Interest Note Provisions** (Condition 16) Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

26. **Call Option** (Condition 21.5) Applicable, provided that the Issuer will exercise its Call Option under Condition 21.5 to redeem on an Optional Redemption Date if and only if, on the 10th Business Day prior to such Optional Redemption Date, the AUD CMS20 is less than 3.10%.
- “AUD CMS20” means that the rate for a date will be the swap rate for Australian Dollar swap transactions with a maturity of 20 years, expressed as a percentage, which appears on the ICAP Screen ICAPAUWAPS01 Page (on

Reuters) as of 10:00 a.m., Sydney time, on that date. If such rate is not available on such screen on the relevant date, AUD CMS20 will be determined by the Calculation Agent in a commercially reasonable manner.

	(i) Optional Redemption Date:	9 January 2027, subject to adjustment in accordance with the Modified Following Business Day Convention
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount:	AUD 1,488,749.84 per Calculation Amount
	(iii) Maximum Call Notice Number of Day(s):	Not Applicable
	(iv) Minimum Call Notice Number of Day(s):	5 Business Days
27.	<b>Put Option</b> (Condition 21.7)	Not Applicable
28.	<b>Autocallable Early Redemption</b> (Condition 18)	Not Applicable
29.	<b>Final Redemption Amount of each Note</b> (Condition 21.1)	AUD 4,447,146.95 per Calculation Amount
30.	<b>Dual Currency Redemption Provisions</b> (Condition 8)	Not Applicable
31.	<b>Equity-Linked Redemption Provisions</b> (Condition 10)	Not Applicable
32.	<b>Commodity-Linked Redemption Provisions</b> (Condition 11)	Not Applicable
33.	<b>Currency-Linked Redemption Provisions</b> (Condition 12)	Not Applicable
34.	<b>Inflation-Linked Redemption Provisions</b> (Condition 13)	Not Applicable
35.	<b>Credit Linked Redemption Provisions</b> (Condition 16)	Not Applicable
36.	<b>Property-Linked Redemption Provisions</b> (Condition 14)	Not Applicable
37.	<b>Fund-Linked Redemption Provisions</b> (Condition 15)	Not Applicable
38.	<b>Preference Share-Linked Redemption Provisions</b> (Condition 17)	Not Applicable
39.	(i) Early Redemption Amount upon Event of Default: (Condition 26)	Accrued Value on the basis of a 30/360 (ISDA) Day Count Fraction
	(ii) Early Redemption Amount(s) payable upon an event described in Condition	Not Applicable

10.2(b)/10.2(d)/10.4(a)(iii)/10.4(b)(iii)/  
10.5(c)/10.6(c)/10.7(c)/10.8(c)/11.7(b)  
/12.5(c).13.6(c)/14.5/14.6(c)/15.5(d)/  
17.5/17.6

	(iii) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: (Conditions 21.2, 21.3)	Fair Market Value Less Costs
40.	Illegality and Regulatory Event:  (Condition 27)	
	(i) Illegality and Regulatory Event:	Applicable
	(ii) Early Redemption Amount (Illegality and Regulatory Event)	Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs
41.	Substitution of Issuer or Guarantor with non Morgan Stanley Group entities: (Condition 38.2)	Applicable
42.	Governing Law:	English law

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

43.	Form of Notes:  (Condition 3)	Registered Notes  Global Note Certificate registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg.
44.	Record Date:	The Record Date is one Clearing System Business Day before the relevant due date for payment
45.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	London
46.	Determination Agent	Morgan Stanley & Co. International plc
47.	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
48.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
49.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
50.	Restrictions on free transferability of the Notes:	None
51.	Inconvertibility Event Provisions:	Not Applicable
52.	CNY Centre:	Not Applicable
53.	Taxation:	

- |                     |  |
|---------------------|--|
| (i) Condition 25.1  | "Additional Amounts" is Not Applicable                     |
| (ii) Condition 25.4 | Implementation of Financial Transaction Tax:<br>Applicable |
| 54. Other terms:    | Not Applicable   |

**DISTRIBUTION**

- |         |   |   |
|---------|---|---|
| 55. (i) | If syndicated, names and addresses of Managers and underwriting commitments: and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as Managers.) | Not Applicable  |
| (ii)    | Date of Agreement:  | Not Applicable  |
| (iii)   | Stabilising Manager(s) (if any):  | Not Applicable  |
| 56.     | If non-syndicated, name and address of Dealer:  | Morgan Stanley International & Co. plc  |
| 57.     | U.S. Selling Restrictions:  | Regulation S  |
| 58.     | Total commission and concession:  | Not Applicable  |
| 59.     | Additional Selling Restrictions:  | The Notes shall not be offered or sold in the Republic of China but may be made available for purchase by investors resident in the Republic of China from outside the Republic of China. |

**Taxation**


**This discussion is limited to the U.S. federal tax issues addressed below. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes. Holders should seek their own advice based upon their particular circumstances from an independent tax advisor.**

A Non-U.S. Holder (as defined in the Offering Circular) should review carefully the section entitled "United States Federal Taxation" in the Offering Circular.

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:  .....

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 trading on the Global Exchange Market of Euronext Dublin with effect from the Issue Date.

No assurances can be given that such application for listing and/or admission to trading will be granted.

### 2. RATINGS

Ratings: The Notes will not be rated.

### 3. OPERATIONAL INFORMATION

ISIN Code: XS1906341919

Common Code: 190634191

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

CFI: Not Applicable

FISN: Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon  
One Canada Square  
London E14

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

4. **POTENTIAL SECTION 871(m) TRANSACTION** Not Applicable

5. **PROHIBITION OF SALES TO EEA RETAIL** Applicable

**INVESTORS:**

6. **BENCHMARK  
REGULATION:** Not Applicable

## INVESTOR REPRESENTATIONS

Any investment in the Notes made with the intention to offer, sell or otherwise transfer (together, “**distribute**” and each a “**distribution**”) such Notes 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, the Guarantor 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 & Co. International plc 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 Base Prospectus or 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 for these Notes (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 the 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 (i) above, or acting otherwise than as required or contemplated herein; and
- j) you are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.