

Morgan Stanley B.V.

Issue of 9,445 Equity-Linked Warrants (the "Warrants" or the "Securities")

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 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 WARRANTS 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.**

**PART A – CONTRACTUAL TERMS**

THE WARRANTS DESCRIBED HEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON EXERCISE OR SETTLEMENT OF THE WARRANTS (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 WARRANTS HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE WARRANTS DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON THE EXERCISE OR SETTLEMENT OF THE WARRANTS (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 16 AUGUST 2016. IN PURCHASING THE WARRANTS, 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 WARRANTS ARE NOT RATED.

This document constitutes the Pricing Supplement relating to the issue of the Warrants described herein. This Pricing Supplement must be read in conjunction with the Offering Circular dated 16 August 2016 and supplements to the Offering Circular dated 11 November 2016, 20 December 2016 and 26 January 2017 (the "Offering Circular"). Full information on the Issuer, the Guarantor and the offer of the Warrants 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](http://www.ise.ie)).

#### Information Concerning Investment Risk

Warrantheolders and prospective purchasers of Warrants should ensure that they understand the nature of the Warrants and the extent of their exposure to risk and that they consider the suitability of the Warrants as an investment in the light of their own circumstances and financial condition. The amount payable on redemption of the Warrants is linked to the performance of the Underlying (as defined herein), and may be less than par. Given the highly specialised nature of these Warrants, Morgan Stanley B.V. (the "Issuer"), Morgan Stanley (the "Guarantor") 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 Warrants 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 Warrants. Please see the Offering Circular for a full detailed description of the Warrants and in particular, please review the Risk Factors associated with these Warrants.

In purchasing any Warrants, 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 Warrants, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisors to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Warrants and (iii) in accordance with the terms set out in Annex 2.

**Adjustments by the Determination Agent:** The terms and conditions of the Warrants will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Warrants or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities. In addition, other circumstances may occur which either increase the liability of the Issuer fulfilling its obligations under the Warrants or increase the liability of any hedging activities related to such obligations, including without limitation the adoption of or any change in any tax law relating to a common system of financial transaction tax in the European Union or otherwise.

In such circumstances, the Determination Agent can in its sole and absolute discretion determine whether to redeem the Securities early, or adjust the terms of the Warrants, which may include without limitation adjustments to the Strike Price, the Cash Settlement Amount or the Underlying. The Determination Agent is not required but has the discretion to make adjustments with respect to each and every corporate action. Potential investors should see the Offering Circular for a detailed description of potential adjustment events and adjustments.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer and the Guarantor. The Warrants 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 and that the Guarantor promises to pay to you if the Issuer fails to do so. There is the risk, however, that the Issuer and the Guarantor may not be able to fulfil their 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 Warrants in the event of liquidation of the Issuer, and the holders of the Warrants will rank behind creditors who have priority rights over certain assets of the Issuer.

**Capital is not protected:** the final redemption amount depends on the performance of the Underlying and could be zero.

**Exit Risk:** The secondary market price of the Warrants 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 and the Guarantor. The secondary market price may be lower than the market value of the issued Warrants as at the Issue Date to take into account amounts paid distributors and other intermediaries relating to the issue and sale of the Warrants 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 Warrant and which may also be less than the amount the holder would have received had the holder held the Certificate through to maturity.

**Liquidity Risk:** Any secondary market in the Warrants 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 Warrants 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 Warrants 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 Warrants.

**Product Market Risk:** The value of the Warrants and the returns available under the terms of the Warrants will be influenced and dependent on the value of the Underlying. It is impossible to predict how the level of the Underlying will vary over time. The historical performance (if any) of the Underlying is not indicative of its future performance.

**Potential Conflict of Interest:** The Determination Agent, which is an affiliate of the Issuer, will determine the pay-out to the investor at maturity. Morgan Stanley & Co. International plc and its affiliates may trade the Underlying on a regular basis as part of its general broker-dealer business and may also carry out hedging activities in relation to the Warrants. Any of these activities could influence the Determination Agent's determination of adjustments made to any Certificates and any such trading activity could potentially affect the price of the Underlying and, accordingly, could affect the investor's pay-out on any Warrant.

**Underlying Issuer Risk:** The issuer of the relevant Underlying is not an affiliate of the Issuer or its affiliates and is not involved with this offering in any way. Consequently, the Issuer and the Determination Agent have no ability to control the actions of the issuer of the relevant Underlying, including and rebalancing that could trigger an adjustment to the terms of the s by the Determination Agent.

**Market Risk:** Price movements in the Basket Components may not correlate with each other. Increases in the value of one or more of the Basket Components may be moderated, or wholly offset, by lesser increases or declines in the value of one or more of the other components.

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 B.V.   |
|     | (ii)  | Guarantor:   | Morgan Stanley  |
| 2.  | (i)   | Series Number:   | W1322   |
|     | (ii)  | Tranche Number:  | 1   |
| 3.  | (i)   | Aggregate Number of Securities in the Series:  | 9,445   |
|     | (ii)  | Aggregate Number of Securities in the Tranche:   | 9,445   |
| 4.  |       | Settlement Currency:   | U.S Dollar ("USD")  |
| 5.  |       | Minimum Trading:   | Not Applicable  |
| 6.  |       | Issue Date:  | 10 March 2017   |
| 7.  |       | Issue Price:   | USD 84.70 per Warrant   |
| 8.  |       | Form of Securities:  | Registered Securities:<br><br>Global Registered Security registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Registered Securities on the expiry of and in the limited circumstances described in the Global Registered Security |
| 9.  |       | Security Style:  | European Style Securities<br><br>(Condition 5)  |
| 10. |       | Equity-Linked Settlement Provisions:   | (Condition 9)   |
| (A) |       | Single Share Securities/Share Basket Securities:   | Not Applicable  |
| (B) |       | Single Index Securities:   | Applicable  |
|     | (i)   | Whether the Securities relate to a single index or a basket of indices (each, an "Index") and the identity of the sponsor of an Index (each an "Index Issuer") | Single Index Securities<br><br>S&P 500® Index, (Bloomberg® code: SPX) sponsored by The McGraw-Hill Companies (the "Underlying")   |
|     | (ii)  | Exchange[s]:   | Multi-Exchange is applicable  |
|     | (iii) | Related Exchange[s]:   | All Exchanges   |
|     | (iv)  | Averaging Dates:   | Not Applicable  |

- (v) Averaging Date Disruption: Not Applicable
- (vi) Observation Date(s): Note Applicable
- (vii) Observation Period: Not Applicable
- (viii) Determination Date(s): Expiration Date
- (ix) Determination Time(s): As per the Conditions
- (x) Determination Agent responsible for calculating the Cash Settlement Amount: Morgan Stanley & Co. International plc
- (xi) Provisions for determining Cash Settlement Amount: Unless previously redeemed or purchased and cancelled by the Issuer, the Warrantholder shall receive on the Cash Settlement Payment Date, in respect of each Warrant, payment of a Cash Settlement Amount in accordance with the following provisions, as determined by the Determination Agent:

(i) If Underlying Performance is greater than 100% then:

Par x [5% - Max (0%; Min(5%; Underlying Performance – Higher Strike)]

(ii) Otherwise:

Par x [5% + Max(0%; Lower Strike – Underlying Performance)]

Where:

“Underlying Performance” means:

$$\frac{\text{Final Reference Price}}{\text{Initial Reference Price}}$$

“Final Reference Price” means an amount equal to the official closing level of the Underlying on the Expiration Date;

“Initial Reference Price” means 2357.60;

“Par” means USD 1,000;<sup>1</sup>

“Higher Strike” means 105.00% of the Initial Reference Price; and

“Lower Strike” means 98.00% of the Initial Reference Price.

- (xii) Provisions for determining Cash Settlement Amount where calculation by reference to Index is Determination Agent determination

<sup>1</sup> “Par” added as a defined term.

impossible or impracticable  
or otherwise disrupted:

- |        |                                     |  |
|--------|-------------------------------------|--|
| (xiii) | Weighting for each Index:           | Not Applicable   |
| (xiv)  | Additional Disruption Events:       | Change in Law, Hedging Disruption and Increased Cost of Hedging shall apply                  |
| (xv)   | Business Day Convention:            | Following Business Day Convention  |
| (xvi)  | Additional Business Centre(s):      | Not Applicable   |
| (xvii) | Other special terms and conditions: | Business Days for trading purposes: New York<br>Business Days for payment purposes: New York |
- (C) Single ETF Securities/ETF Basket Securities: Not Applicable
- |     |   |            |                |
|-----|---|------------|----------------|
| 11. | Commodity-Linked Provisions<br>(Condition 10)       | Settlement | Not Applicable |
| 12. | Currency-Linked Provisions<br>(Condition 11)        | Settlement | Not Applicable |
| 13. | Inflation-Linked Provisions<br>(Condition 12)       | Settlement | Not Applicable |
| 14. | Property-Linked Provisions<br>(Condition 13)        | Redemption | Not Applicable |
| 15. | Fund-Linked Redemption Provisions<br>(Condition 14) |            | Not Applicable |
| 16. | Bond-Linked Settlement Provisions<br>(Condition 15) |            | Not Applicable |

#### EXERCISE

- |     |   |  |
|-----|---|--|
| 17. | Expiration Date:                            | 15 December 2017   |
| 18. | Latest Exercise Time:                       | 10:00 a.m. Brussels time (in the case of Euroclear Bank), or 10:00 a.m. Luxembourg time (in the case of Clearstream, Luxembourg) |
| 19. | Minimum Exercise Number:<br>(Condition 6.8) | Not Applicable   |
| 20. | Permitted Multiple:<br>(Condition 6.8)      | Not Applicable   |

21. Deemed Exercise: Applicable  
(Condition 6.8)

**PROVISIONS RELATING TO SETTLEMENT**

22. Call Option Not Applicable  
(Condition 7)
23. Autocallable Early Settlement Not Applicable  
(Condition 17)
24. Settlement Basis: The Securities are Cash Settlement Securities.  
(Condition 5)
25. Physical Settlement Securities: Not Applicable
26. Cash Settlement Securities: Not Applicable
27. Strike Price: 2357.60
28. Settlement Price: Not Applicable
29. Valuation Time: As per the Conditions
30. Valuation Date: Expiration Date
31. Averaging Dates: Not Applicable
32. Observation Date(s): Not Applicable
33. Strike Date: Not Applicable
34. Cash Settlement Payment Date: 22 December 2017, subject to adjustment in accordance with the Business Day Convention such that the Cash Settlement Payment Date will always be at least 5 Business Days following the Expiration Date.

**GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

35. Record Date: As set out in the Conditions
36. Determination Agent: Morgan Stanley & Co. International plc
37. Clearing System: Euroclear and Clearstream, Luxembourg
38. Minimum Transfer Amount: Not Applicable
39. Inconvertibility Event Provisions: Not Applicable  
(Condition 18)
40. Illegality and Regulatory Event: Applicable  
(Condition 24)
- Early Settlement Amount (Illegality and Regulatory Event): Early Redemption Amount (Illegality and Regulatory Event) – Fair Value Less Costs

41. CNY Centre: Not Applicable
42. Other special terms and conditions: **Implementation of the Financial Transaction Tax: Applicable: Applicable**
- Early Redemption Amount upon Event of Default:**
- If the Warrants are accelerated following the occurrence of an Event of Default:
- Qualified Financial Institution Determination: an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such date as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 Business Days prior to the date fixed for redemption of the Warrants) to be the amount that a Qualified Financial Institution would charge either (as specified in the applicable Pricing Supplement): (i) to assume all of the Issuer's payment and other obligations with respect to such Warrants as if no such Event of Default had occurred or (ii) to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Warrantholder with respect to the Warrants.

#### DISTRIBUTION

43. (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 the Managers.) Not Applicable
- (ii) Date of [Subscription] Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
44. If non-syndicated, name and address of Dealer: Not Applicable
45. U.S. Selling Restrictions: Regulation S
46. Additional selling restrictions: Not Applicable

#### PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading on Global Exchange Market of the Irish Stock Exchange the issue of Warrants described herein



pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates of Morgan Stanley B.V.

**RESPONSIBILITY**


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

Signed on behalf of the Issuer:

By: .....

Duly authorised

TMF Management B.V.  
Managing Director



3/5/17

## 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 on or around the Issue Date.

No assurances can be given that such application for listing and/or admission to trading will be granted (or, if granted, will be granted by the Issue Date. The Issuer has no duty to maintain the listing (if any) of the Notes on the relevant stock exchange(s) over their entire lifetime.

Estimate of total expenses related to admission to trading: EUR 600

### 2. RATINGS

Ratings: The Warrants have not been rated.

### 3. Notes linked to a Relevant Underlying only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Further details on the Underlying can be found on Bloomberg® page: SPX Index

The Issuer does not intend to provide post-issuance information with regard to the underlying.

### 4. OPERATIONAL INFORMATION

ISIN: NL0012235907

Common Code: 157479121

Any clearing system(s) other than Euroclear Bank S.A./N.V., 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): As per the Conditions

### 5. POTENTIAL SECTION 871(M) TRANSACTION

The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise.

## ANNEX 1

### Statement concerning the S&P 500® Index

The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of McGraw-Hill, Inc. ("S&P"). S&P makes no representation or warranty, express or implied, to the holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the S&P 500® Index to track general stock market performance. S&P's only relationship to the Issuer is the licensing of certain trademarks and trade names of S&P and of the S&P 500® Index which is determined, composed and calculated by S&P without regard to the Issuer or the Notes. S&P has no obligation to take the needs of the Issuer or the holders of the Notes into consideration in determining, composing or calculating the S&P 500® Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Notes.

S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN AND S&P SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE ISSUER, HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P 500® INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

THE ISSUER ACCEPTS NO RESPONSIBILITY OR LIABILITY WHATSOEVER IN RESPECT OF ANY PERSON WHO MAY BE AFFECTED ADVERSELY OR OTHERWISE, WHETHER DIRECTLY OR INDIRECTLY, IN CONNECTION WITH ANY PURCHASE OR SALE OF, OR INVESTMENT IN NOTES, FOR ANY ACTIONS TAKEN OR ANY OMISSIONS RELATING TO THE S&P 500® INDEX INCLUDING, WITHOUT LIMITATION, CHANGES IN THE COMPOSITION OF THE S&P 500® INDEX, ALTERATIONS OR ERRORS IN THE METHODS OF CALCULATING THE S&P 500® INDEX, DELAY, TERMINATION, SUSPENSION OR INTERRUPTION OF THE S&P 500® INDEX ITSELF OR IN THE CALCULATION OR PUBLICATION OF THE S&P 500®, THE ACCURACY AND THE COMPLETENESS OF ANY COMPOSITION OF THE S&P 500® INDEX OR CALCULATION OF THE S&P 500® INDEX, ANY ACT OF FORCE MAJEURE OR OTHERWISE ON THE PART OF THE CORPORATIONS OR ANY SUCCESSOR SPONSOR.

## ANNEX 2

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

- a) 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 advisers 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 and all applicable sanctions laws and programs, including without limitation the U.S. Department of Treasury’s Office of Foreign Assets Control;
- 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; and

- g) 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 (f) above, or acting otherwise than as required or contemplated herein.