

**Pricing Supplement dated 21 March 2016**

**Morgan Stanley B.V.**

Issue of 150 Equity and FX-Linked Certificates due 2019 (the "**Certificates**" 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 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 OF 1936, 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 17 AUGUST 2015. 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 17 August 2015 and the supplemental Offering Circulars dated 30 November 2015 and 23 December 2015 (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, the Guarantor 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](http://www.ise.ie)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 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 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 advisors 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 1.**

**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.**

**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 Certificates, which may include without limitation adjustments to the Initial Reference Price, the Final Redemption Amount or the Underlying.**

**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 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 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 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.

**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 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 and the Guarantor. 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 Certificate 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 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.

**Product Market Risk:** The value of the Certificates and the returns available under the terms of the Certificates 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 Certificates. 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 Certificate.

**Underlying Sponsor Risk:** The sponsor 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 sponsor of the relevant Underlying, including and rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

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:   | W1291   |
|     | (ii)  | Tranche Number:  | 1   |
| 3.  | (i)   | Aggregate Number amount of Securities in the Series:   | 150   |
|     | (ii)  | Aggregate Number of Securities in the Tranche:   | 150   |
| 4.  |       | Settlement Currency:   | United States dollar (“USD”)  |
| 5.  |       | Minimum Trading:   | 1   |
| 6.  |       | Issue Date:  | 22 March 2016   |
| 7.  |       | Issue Price:   | USD 10,000 per Certificate  |
| 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 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 10)  |
| (A) |       | Single Share Securities/Share Basket Securities:   | Not Applicable  |
| (B) |       | Single Index Securities/Index Basket Securities:   | Applicable  |
|     | (i)   | Whether the Securities relate to a single index or a basket of indices (each, an “ <b>Index</b> ”) and the identity of the sponsor of an Index (each an “ <b>Index Issuer</b> ”) | Single Index Securities<br><br>EURO STOXX 50® Index, (Bloomberg® code: SX5E) sponsored by STOXX Limited (“ <b>Underlying 1</b> ”)<br><br>Further details on the Underlying 2 can be found in item 12 below  |
|     | (ii)  | Exchange[s]:   | Multi-Exchange Applicable   |
|     | (iii) | Related Exchange[s]:   | All Exchanges   |
|     | (iv)  | Averaging Dates:   | Not Applicable  |
|     | (v)   | Averaging Date Disruption:   | Not Applicable  |

- (vi) Observation Date(s): Each Scheduled Trading Day that is not a disrupted day in the Observation Period for both Underlying 1 and Underlying 2 (each an “**Observation Date K**”)
- (vii) Observation Period: The period from (and including) the Strike Date to and (including) the Determination Date
- (viii) Determination Date(s): 21 December 2018
- (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 Certificate holder shall receive on the Cash Settlement Payment Date, in respect of each Certificate, payment of a Cash Settlement Amount in accordance with the following provisions, as determined by the Determination Agent:

$$\text{Max}(0, \text{PAR} + \text{PAR} \times \text{Leverage} \times \text{Min}(\text{Corr}_{\text{Realized}} - \text{Corr}_{\text{Strike}}, \text{Cap})),$$

Where:

“**Leverage**” means the correlation exposure equal to 100%/35%, being 2.8571;

“**Corr<sub>Realized</sub>**” means  $\frac{\text{Cov}}{\text{SD}_1 \times \text{SD}_2}$

“**Covariance**” (“**Cov**”) means:

$$\frac{1}{m-1} \sum_{k=1}^{m-1} \{ [R_1^k - \bar{R}_1] \times [R_2^k - \bar{R}_2] \}$$

“**SD<sub>1</sub>**” and “**SD<sub>2</sub>**” means for each Underlying<sub>i</sub> the standard deviation defined as:

$$\text{SD}_i = \sqrt{\frac{1}{m-1} \sum_{k=1}^{m-1} \{ [R_i^k - \bar{R}_i]^2 \}}$$

“**R<sub>1</sub>**” and “**R<sub>2</sub>**” means for each Underlying<sub>i</sub> the average return defined as:

$$\bar{R}_i = \frac{1}{m-1} \sum_{j=1}^{m-1} R_i^j$$

“**R<sub>1</sub><sup>k</sup>**” and “**R<sub>2</sub><sup>k</sup>**” means for each Underlying<sub>i</sub> the log return defined as:

$$R_i^k = \ln \left( \frac{S_i^{k+1}}{S_i^k} \right)$$

"**m**" is the total number of Observation Dates;

"**ln()**" is a natural logarithm;

"**S<sub>i</sub><sup>k</sup>**" is the Relevant Price of Underlying<sub>i</sub> on Observation Date k;

"**S<sub>i</sub><sup>k+1</sup>**" is the Relevant Price of Underlying<sub>i</sub> on Observation Date k+1;

"**Corr<sub>Strike</sub>**" means -40%;

"**Cap**" is equal to 40%; and

"**Relevant Price**" means with respect to:

**Underlying 1**, the official closing level on the relevant Observation Date K; and

**Underlying 2**, the currency exchange rate for EUR/USD foreign exchange transactions for spot settlement expressed as the amount of USD per one EUR (the "mid" rate) as of the relevant Valuation Time published on Bloomberg under ticker EURUSD L163 Curncy (or on any other page that may replace this page or such service) on the relevant Observation Date k. If such rate is not available, the rate will be determined by the Determination Agent in a commercially good faith and reasonable manner.

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| (xii)  | Provisions for determining Cash Settlement Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted: | Condition 10.1 applies  |
| (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:  | None  |
| (C)    | Single ETF Securities/ETF Basket Securities:   | Not Applicable  |
| 11.    | Commodity-Linked Settlement Provisions   | Not Applicable  |

	(Condition 11)		
12.	Currency-Linked Provisions	Settlement	Applicable
	(Condition 12)		EURUSD L163 Curncy (“ <b>Underlying 2</b> ”) and together with Underlying 1, (the “ <b>Underlying;</b> ”)
	(i) Settlement Currency:		USD
	(ii) Reference Currency:		Euro (“ <b>EUR</b> ”)
	(iii) Specified Amount:		Not Applicable
	(iv) Settlement Rate:		Not Applicable
	(v) Determination Agent responsible for calculating the Cash Settlement Amount:		Morgan Stanley & Co. International Plc
	(vi) Provisions for determining Cash Settlement Amount:		See item 10 (B)(xi) above
	(vii) Valuation Date:		The Determination Date
	(viii) Observation Date/ Period:		See items 10 (B)(vi) and 10 (B)(vii) above respectively
	(ix) Provisions for determining Cash Settlement Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted:		See item 10 (B)(xii) above
	(x) Business Day Convention:		Following Business Day Convention
	(xi) Additional Business Centre(s):		Not Applicable
	(xii) Currency Disruption Events:		Price Source Disruption
	(xiii) Currency Disruption Fallbacks:		Determination Agent Determination of Settlement Rate
	(xiv) Additional Disruption Events:		Change in Law, Hedging Disruption and Increased Cost of Hedging
	(xv) Other special terms and conditions:		None
13.	Inflation-Linked Provisions	Settlement	Not Applicable
	(Condition 13)		
14.	Property-Linked Provisions	Redemption	Not Applicable
	(Condition 14)		
15.	Fund-Linked Redemption Provisions		Not Applicable
	(Condition 15)		

16. Credit-Linked Settlement Provisions Not Applicable  
(Condition 16)

**EXERCISE**

17. Expiration Date: 21 December 2018  
18. Latest Exercise Time: As per the Conditions  
19. Minimum Exercise Number: Not Applicable  
(Condition 6.8)  
20. Permitted Multiple: Not Applicable  
(Condition 6.8)  
21. Deemed Exercise: Not 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: Applicable  
27. Strike Price: Not Applicable  
28. Settlement Price: Not Applicable  
29. Valuation Time: As per the Conditions  
30. Valuation Date: The Determination Date  
31. Averaging Dates: Not Applicable  
32. Observation Date(s): Not Applicable  
33. Strike Date: 11 March 2016  
34. Cash Settlement Payment Date: 2 January 2019

**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: As defined in the Conditions

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| 38. | Minimum Transfer Amount:                             | Not Applicable   |
| 39. | Inconvertibility Event Provisions:<br>(Condition 18) | Not Applicable   |
| 40. | Other special terms and conditions:                  | Business Days for payment purposes: New York<br><br>Implementation of the Financial Transaction Tax:<br>Applicable |

#### **DISTRIBUTION**

- |     |   |  |
|-----|---|--|
| 41. | (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                         |
| 42. | If non-syndicated, name and address of Dealer:  | Morgan Stanley & Co. International plc |
| 43. | U.S. Selling Restrictions:  | Regulation S                           |
| 44. | Additional selling restrictions:  | Not Applicable                         |

#### **PURPOSE OF PRICING SUPPLEMENT**

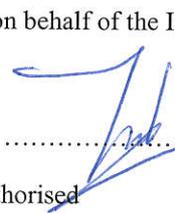
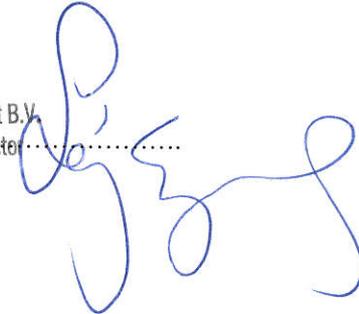
This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading on Global Exchange Market of the Irish Stock Exchange the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates of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

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

By:

..... TMF Management B.V.  
..... Managing Director .....

Duly authorised

21/3/16

## **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 or around the Issue Date.

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

### **2. RATINGS**

Ratings: The Securities have not been rated.

### **3. OPERATIONAL INFORMATION**

ISIN: XS1374789862

Common Code: 137478986

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

## ANNEX 1

### **Statement concerning the Euro Stoxx 50® Index:**

THE EUROSTOXX 50 INDEX AND THE RELATED TRADEMARKS HAVE BEEN LICENSED FOR USE BY MORGAN STANLEY. THE NOTES ARE NOT SPONSORED OR PROMOTED BY STOXX LIMITED.

STOXX HAS NO RELATIONSHIP TO MORGAN STANLEY, OTHER THAN THE LICENSING OF THE INDEX AND THE RELATED TRADE MARKS FOR USE IN CONNECTION WITH THE NOTES.

STOXX DOES NOT:

- SPONSOR, ENDORSE, SELL OR PROMOTE THE NOTES;
- RECOMMEND THAT ANY PERSON INVEST IN THE NOTES OR ANY OTHER SECURITIES;
- HAVE ANY RESPONSIBILITY OR LIABILITY FOR OR MAKE ANY DECISIONS ABOUT THE TIMING, AMOUNT OR PRICING OF THE NOTES;
- HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ADMINISTRATION, MANAGEMENT OR MARKETING OF THE NOTES;
- CONSIDER THE NEEDS OF THE INSTRUMENTS OR THE OWNERS OF THE NOTES IN DETERMINING, COMPOSING OR CALCULATING THE INDEX OR HAVE ANY OBLIGATION TO DO SO.

STOXX WILL NOT HAVE ANY LIABILITY IN CONNECTION WITH THE NOTES. SPECIFICALLY:

- STOXX DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED AND DISCLAIMS ANY AND ALL WARRANTY ABOUT:
  1. THE RESULTS TO BE OBTAINED BY THE NOTES, THE OWNER OF THE NOTES OR ANY OTHER PERSON IN CONNECTION WITH THE USE OF THE INDEX AND THE DATA INCLUDED IN THE INDEX;
  2. THE ACCURACY OR COMPLETENESS OF THE EURO STOXX 50 AND ITS DATA; AND
  3. THE MERCHANTABILITY AND THE FITNESS FOR A PARTICULAR PURPOSE OR USE OF THE INDEX AND ITS DATA;
- STOXX WILL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS IN THE INDEX OR ITS DATA;
- UNDER NO CIRCUMSTANCES WILL STOXX BE LIABLE FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOSSES, EVEN IF STOXX KNOWS THAT THEY MIGHT OCCUR.

THE LICENSING AGREEMENT BETWEEN THE ISSUER AND STOXX IS SOLELY FOR THEIR BENEFIT AND NOT FOR THE BENEFIT OF THE OWNERS OF THE NOTES OR ANY OTHER THIRD PARTIES.

## ANNEX 2

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) 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;
- b) 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;
- c) 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;
- d) 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;
- e) 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;
- f) 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.