

Pricing Supplement dated December 19, 2018

**MORGAN STANLEY FINANCE LLC**

**as Issuer**

Legal Entity Identifier (LEI): 5493003FCPSE9RKT4B56

**Issue of ARS 423,000,000 Senior Fixed Rate Notes due 2020**

**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 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 be offered and sold under hereby.

**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.**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:**

**SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:**

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND**
- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.**

**ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.**

## 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. This Pricing Supplement must be read in conjunction with the Offering Circular dated 29 June 2018, as supplemented on 12 September 2018, 10 October 2018 and 8 November 2018 (the "**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. 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.isc.ie](http://www.isc.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. The amount payable on redemption of the Notes is linked to the performance of the Settlement Rate, and may be less than the value of the original investment in U.S. dollar terms. Given the highly specialised nature of these Notes, the Issuer, the Guarantor, and the Dealer 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 Settlement Rate, are willing to take risks and can absorb the loss of their initial investment in U.S. dollar terms. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.**

**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 Notes. Please review the Offering Circular in conjunction 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:**

**The Final Redemption Amount and all payments of interest are exposed to currency exchange risk with respect to the Argentine peso relative to the U.S. dollar. All interest amounts and the amount of principal payable at maturity will be denominated in ARS but will be mandatorily converted and paid to you in USD at the USD/ARS Settlement Rate on the applicable Valuation Date. A depreciation in the ARS relative to the USD at maturity relative to its value on the Trade Date would mean you would receive at maturity less, and possibly**

significantly less, than the USD amount of your initial investment in the Notes. *As a result of this currency exchange risk, you could lose some or a substantial portion of your initial investment in USD terms.* Similarly, a depreciation in the ARS relative to the USD on the Valuation Date applicable to any Interest Payment Date will mean that the interest amounts paid in USD will decline, possibly significantly.

**The Notes are exposed to a single emerging markets currency and therefore expose you to significant non-diversified currency risk.** A U.S. dollar investment in the Notes is subject to risk of significant adverse fluctuations in the performance of a single emerging market currency, the Argentine peso, relative to the U.S. dollar. As an emerging markets currency, the peso is subject to an increased risk of significant adverse fluctuations in value. Currencies of emerging economies are often subject to more frequent and larger central bank interventions than the currencies of developed countries and are also more likely to be affected by drastic changes in monetary or exchange rate policies of the issuing countries, which may negatively affect the value of the Notes.

The exchange rate between the Argentine peso and the U.S. dollar is primarily affected by the supply and demand for the two currencies, as well as by government policy or actions, but is also influenced significantly from time to time by political or economic developments in Argentina or elsewhere, and by macroeconomic factors and speculative actions. In the thirty years prior to December 1989, the Argentine foreign exchange market was subject to exchange controls and, as a result of inflationary pressures, the Argentine currency was devalued repeatedly during that period. A freely floating exchange rate was in place for all foreign currency transactions from December 1989 to 1991. From 1991 to 2001, the Argentine government maintained a one-to-one exchange rate between the Argentine peso and the U.S. dollar and required the Central Bank of Argentina to maintain international reserves at least equal to the monetary base. While the one-to-one exchange rate between the Argentine peso and the U.S. dollar helped restrain inflation, it negatively affected Argentina's export competitiveness and created chronic deficits in the current account of the balance of payments, which were financed by massive borrowing. Argentina defaulted on \$88 billion in debt in December 2001, the largest sovereign debt default in history, and in January 2002, the Argentine Congress enacted the Law of Public Emergency and Reform of the Exchange Rate Regime, which abolished the one-to-one exchange rate between the Argentine peso and the U.S. dollar and granted the executive branch the power to regulate the foreign exchange market. During this time, the Argentine peso suffered a massive devaluation relative to the U.S. dollar.

The Argentine peso currently floats against the U.S. dollar, although it is subject to frequent intervention by the Central Bank of Argentina. The Central Bank of Argentina is known to intervene in the foreign exchange market by buying or selling Argentine pesos or U.S. dollars in order to attempt to minimize drastic fluctuations in the exchange rate and maintain the export competitiveness of the exchange rate, among other reasons. The Central Bank of Argentina is known to have a bias toward fighting currency appreciation, as it is a net buyer of foreign exchange. However, during the financial crisis in 2008, it was a net seller of foreign exchange and the Argentine peso has continued to depreciate against the U.S. dollar since 2008. In January 2014, the Argentine government allowed the currency to depreciate significantly against the U.S. dollar. In July 2014, the Argentine government defaulted on certain of its bonds. The Argentine peso declined significantly over the subsequent three years, which prompted the Argentine government to intervene in 2017. Factors that might affect the likelihood of the government's imposing certain exchange control restrictions include the extent of Argentina's foreign currency reserves, the balance of payments, the extent of governmental surpluses and deficits, economic or financial developments in other countries, the size of Argentina's debt service burden relative to the economy as a whole and political constraints to which Argentina may be subject.

**Even though currencies trade around-the-clock, the Notes will not.** The interbank market in foreign currencies is a global, around-the-clock market. Therefore, the hours of trading for the Notes, if any trading market develops, will not conform to the hours during which the Underlying is traded. Significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the Notes. The possibility of these movements should be taken into account in relating the U.S. dollar value of the Notes to those in the underlying foreign exchange markets. There is no systematic reporting of last-sale information for foreign currencies. Reasonably current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices and to others who wish to subscribe for this information, but this information will not necessarily be reflected in any exchange rate used in calculating any payment due to you under the Notes. There is no regulatory requirement that those quotations be firm or revised on a timely basis. The absence of last-sale information and the limited availability of quotations to individual

investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

**Market price of the Notes may be influenced by many unpredictable factors.** Several factors, some of which are beyond our control, will influence the value of the Notes in the secondary market and the price at which the Dealer may be willing to purchase or sell the Notes in the secondary market. As noted above, we expect that the USD/ARS exchange rate on any day will affect the value of the Notes more than any other single factor. Other factors that may influence the value of the securities include: (i) the volatility (frequency and magnitude of changes in value) of the USD/ARS exchange rate; (ii) interest and yield rates in Argentina; (iii) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the ARS, the USD or currencies markets generally and that may affect the exchange rate on the Valuation Dates; (iv) the time remaining to the maturity of the Notes; and (v) any actual or anticipated changes in our credit ratings or credit spreads. Some or all of these factors will influence the price that you will receive if you sell your Notes prior to maturity. For example, you may have to sell your Notes at a substantial discount from the USD equivalent of your initial investment in the Notes if, at the time of sale, the ARS has weakened relative to the USD or if interest rates rise.

**Government intervention in the currency markets could materially and adversely affect the value of the Notes.** Foreign exchange rates can be fixed by the sovereign government, allowed to float within a range of exchange rates set by the government, or left to float freely. Governments, central banks and monetary authorities, including those of Argentina and the United States, may use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency, fix the exchange rate or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Notes is that their liquidity, trading value and amount payable could be affected by the actions of sovereign governments that could change or interfere with previously freely determined currency valuations, fluctuations in response to other market forces and the movement of currencies across borders. There will be no offsetting adjustment or change made during the term of the Notes in the event that the floating exchange rate between the U.S. dollar and the Argentine peso should become fixed. Nor will there be any offsetting adjustment or change in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting the USD, ARS, or any other currency. Any significant changes or governmental actions with respect to the USD, ARS or any other currency that result in a strengthening of the USD relative to the ARS will adversely affect the value of the Notes and the return on an investment in the Notes in U.S. dollar terms.

**Suspension or disruptions of market trading in the underlying currencies may adversely affect the value of the Notes.** The currency markets are subject to temporary distortions or other disruptions due to various factors, including government regulation and intervention, the lack of liquidity in the markets, and the participation of speculators. These circumstances could adversely affect the Settlement Rate and therefore, the payments on the Notes and the value of the Notes in the secondary market.

**The inclusion of commissions and the cost of hedging, including the projected profit from the hedging, in the original issue price is likely to adversely affect secondary market prices.** Assuming no change in market conditions or any other relevant factors, the price, if any, at which the Dealer or any of its affiliates is willing to purchase the Notes at any time in secondary market transactions will likely be significantly lower than the USD equivalent of the original Issue Price, since secondary market prices are likely to exclude commissions paid with respect to the Notes and the cost of hedging obligations under the Notes that are included in the original issue price. The cost of hedging includes the projected profit that subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. These secondary market prices are also likely to be reduced by the costs of unwinding the related hedging transactions. Issuer subsidiaries may realize a profit from the expected hedging activity even if investors do not receive a favorable investment return under the terms of the Notes or in any secondary market transaction. In addition, any secondary market prices may differ from values determined by pricing models used by the Dealer or any of its affiliates, as a result of dealer discounts, mark-ups or other transaction costs.

**Hedging Risk:** On or prior to the Issue 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.

**Credit Risk:** Investors are exposed to the credit risk of the Issuer and Guarantor. The Notes are essentially a loan to the Issuer with interest and repayment amounts linked to the performance of the Underlying that the Issuer promises to pay to you at maturity (and that the Guarantor promises to pay in the event that the Issuer fails to do so). There is the risk, however, that the Issuer and/or Guarantor 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 and/or Guarantor. You may lose all or part of your investment if the Issuer and/or Guarantor is unable to pay the redemption amount and becomes insolvent. No assets of the Issuer and/or Guarantor are segregated and specifically set aside in order to pay the holders of the Notes in the event of the insolvency of the Issuer and/or Guarantor, and the holders of the Notes will rank behind creditors who have priority rights over certain assets of the Issuer and/or Guarantor.

**Liquidity Risk:** There may be little or no secondary market for the Notes. The Dealer may, but is not obligated to, make a market in the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily. Because we do not expect that other broker-dealers will participate significantly in the secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which Dealer is willing to transact. If, at any time, Dealer were not to make a market in the Notes, it is likely that there would be no secondary market for the Notes. Accordingly, you should be willing to hold your Notes to maturity.

**The Determination Agent, which is a subsidiary of the Issuer, will make determinations with respect to the Notes.** The Determination Agent will determine the Settlement Rate on each of the Valuation Dates and will calculate the amount you will receive on each Interest Payment Date and at maturity. Determinations made by the Determination Agent, including with respect to the determination of the Settlement Rate under certain circumstances as may affect the payout to you at maturity or on any Interest Payment Date. It will also determine if a Currency Disruption Event occurs or has occurred and is continuing on a Valuation Date and the Settlement Rate applicable for such Valuation Date. Moreover, certain determinations made by MSIP in its capacity as Determination Agent may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of an Additional Disruption Event and the consequences of such Additional Disruption Event. These potentially subjective determinations may adversely affect the payouts to holders of the Notes.

**EMTA Actions and Determinations.** If a Currency Disruption Event occurs or has occurred and is continuing on a Valuation Date, the relevant exchange rate will be determined by the Determination Agent in its sole discretion, acting in good faith and in a commercially reasonable manner. The Currency Disruption Events include an Exchange Rate Divergence. The occurrence of an Exchange Rate Divergence depends in part on the actions of unaffiliated EMTA members. Prospective investors should note that affiliates of the Issuer are full members of EMTA and parties to other transactions that may be affected by the occurrence of an Exchange Rate Divergence and/or other actions or determinations of EMTA members. They may take actions that influence the process and outcome of decisions of EMTA. Such actions may be adverse to the interests of holders of the Notes while benefiting the Issuer or its affiliates. In taking any action relating to EMTA, the Issuer and its affiliates have no obligation to consider the interests of holders of the Notes and may act regardless of any conflict of interest due to its responsibilities under the Notes. Prospective investors should also be aware that EMTA will be able to make a broad range of determinations that may be relevant to the Notes and materially affect holders of the Notes. EMTA will be able to make determinations without action or knowledge by holders of the Notes.

**The Issuer, its subsidiaries or affiliates may publish research that could affect the market value of the Notes.** They also expect to hedge the Issuer's obligations under the Notes. The Issuer or one or more of its affiliates may, at present or in the future, publish research reports with respect to movements in interest rates generally. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the value of the Notes. In addition, the Issuer's subsidiaries expect to hedge the Issuer's obligations under the Notes and they may realize a profit from the expected hedging activity even if investors do not receive a favorable investment return under the terms of the Notes or in any securities or in any secondary market transactions

**In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, the Guarantor, the Dealer and each of their respective affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Notes, (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 and (iii) in accordance with the terms set out in Annex 1.**

**A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the Notes (or a financial institution holding the Notes on behalf of the beneficial owner) furnishes the appropriate Form W-8, 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 (regardless of whether a holder furnished an appropriate form), payments on the Notes will be made net of applicable withholding taxes, and Morgan Stanley will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.**

**Neither the Issuer nor the Guarantor are 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 provisions contained herein.**

## GENERAL

1. (i) Issuer: Morgan Stanley Finance LLC
- (ii) Guarantor: Morgan Stanley
2. Series Number: 11196
3. (i) Specified Currency or Currencies: The lawful currency of Argentina (“**Argentine Peso**” or “**ARS**”)
- (ii) Payment Currency: The lawful currency of the United States of America (“**U.S. Dollars**” or “**USD**”)
4. Aggregate Nominal Amount of the Notes: ARS 423,000,000
5. Issue Price: 100 per cent. of par per Note
6. (i) Specified Denominations: ARS 1,000,000
- (ii) Calculation Amount (Par): ARS 1,000,000
7. (i) Issue Date: December 19, 2018
- (ii) Trade Date: December 5, 2018
- (iii) Interest Commencement Date: Issue Date
8. Maturity Date: December 19, 2020, subject to adjustment (i) in accordance with the Business Day Convention in the event such date is not a Business Day; and (ii) such that the Maturity Date shall always be two (2) Currency Business Days following the Final Valuation Date, with no adjustment to any payments due as a result of such adjustment.
9. Interest Basis: Fixed Rate Notes
10. Redemption/Payment Basis: Currency-Linked Redemption  
*(further particulars specified in paragraph 34 below)*
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: Not Applicable



- |       |   |                             |
|-------|---|-----------------------------|
| (ii)  | Redemption at the Option of Noteholders:      | Not Applicable              |
| (iii) | Autocallable Early Redemption:                | Not Applicable              |
| (iv)  | Other put/call options:                       | Not Applicable              |
| 13.   | (i) Status of the Notes:<br><br>(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              |

**RELEVANT UNDERLYING**

15. Currency-Linked Notes:  
  
(Condition 12)

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|-------|----------------------|----------------|
| (i)   | Settlement Currency: | USD            |
| (ii)  | Reference Currency:  | ARS            |
| (iii) | Specified Amount:    | Not Applicable |

- |      |                  |   |
|------|------------------|---|
| (iv) | Settlement Rate: | On any Valuation Date, ARS MAE (ARS05) (as defined below), as determined by reference to the rate displayed on the Reference Source on such day, as determined by the Determination Agent taking into consideration all available information that it deems relevant. |
|------|------------------|---|

“**ARS MAE (ARS05)**” means, in respect of any Valuation Date, the volume weighted average Argentine peso/U.S. dollar rate of all trades executed in the electronic market for such Valuation Date, expressed as the amount of Argentine peso per one U.S. dollar, for settlement on that same day, published by the Mercado Abierto Electrónico (“**MAE**”) on the Reference Source at approximately 3:00 pm Buenos Aires time on such date. Such definition may be amended from time to time to reflect the then current ARS05 rate source definition in Annex A of the 1998 FX and Currency Option Definitions as jointly published by ISDA, EMTA and the Foreign Exchange Committee.

“**Reference Source**” means the MAE ARS Rate page of the Mercado Abierto Electrónico S.A.’s website (which can be accessed at [www.mae.com.ar](http://www.mae.com.ar)); see “Promedio Ponderado Noticiado” or “PPN” (or any replacement or

successor page) (the FOREX-MAE Page).

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

16.	Fixed Rate Note Provisions:	Applicable
	(Condition 5)	
(i)	Rate(s) of Interest:	+36.00 per cent. per annum payable annually in arrear
(ii)	Interest Period:	As set out in Condition 2.1; Unadjusted
(iii)	Interest Payment Date(s):	19 December 2019 and the Maturity Date, each subject to adjustment in accordance with the Business Day Convention. No adjustment will be made to any Interest Period notwithstanding an adjustment to an Interest Payment Date.
(iv)	Fixed Coupon Amount(s):	<p>The Fixed Coupon Amount per Note for an Interest Period will be calculated by the Determination Agent applying the Rate of Interest to the Calculation Amount, multiplying the product by the Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and converting such rounded figure into the Payment Currency at the Settlement Rate on the applicable Valuation Date.</p> <p>For this purpose a “sub-unit” means the lowest amount of the Reference Currency that is available as legal tender in Argentina.</p>
(v)	Broken Amount(s):	Not Applicable
(vi)	Day Count Fraction:	30/360
(vii)	Business Day Convention:	Following Business Day Convention
(viii)	Additional Business Centre(s):	New York, London
(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	A “ <b>Valuation Date</b> ” shall occur two Currency Business Days prior to each Interest Payment Date, subject to adjustment (as described herein) if such day is a Disrupted Day.
(x)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	Determination Agent
17.	Floating Rate Note Provisions:	Not Applicable

18.	Zero Coupon Note Provisions:	Not Applicable
19.	Dual Currency-Linked Note Interest Provisions:	Not Applicable
20.	Equity-Linked Interest Note Provisions:	Not Applicable
21.	Commodity-Linked Interest Note Provisions:	Not Applicable
22.	Currency-Linked Interest Note Provisions:	Not Applicable
23.	Inflation-Linked Interest Note Provisions:	Not Applicable
24.	Property-Linked Interest Note Provisions:	Not Applicable
25.	Fund-Linked Interest Note Provisions:	Not Applicable
26.	Credit-Linked Interest Note Provisions:	Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

27.	Call Option:	Not Applicable
28.	Put Option:	Not Applicable
29.	Autocallable Early Redemption:	Not Applicable
30.	Final Redemption Amount of each Note: (Condition 21.1)	Unless previously redeemed or cancelled, each Note shall be redeemed on the Maturity Date at its Final Redemption Amount, which shall be an amount per Calculation Amount, determined by the Determination Agent, equal to par, converted into the Payment Currency at the Settlement Rate on the Final Valuation Date.
31.	Dual Currency Redemption Provisions:	Not Applicable
32.	Equity-Linked Redemption Provisions:	Not Applicable
33.	Commodity-Linked Redemption Provisions:	Not Applicable
34.	Currency-Linked Redemption Provisions: (Condition 12)	Applicable
	(i) Determination Agent responsible for calculating the Final Redemption Amount:	Morgan Stanley & Co. International plc

- (ii) Provisions for determining Final Redemption Amount: As described in paragraphs 15(iv) and 30 above.
- (iii) Final Valuation Date: Two Currency Business Days prior to the Maturity Date, subject to adjustment (as described herein) if such day is a Disrupted Day.
- (iv) Observation Date(s): Not Applicable
- (v) Observation Period: Not Applicable
- (vi) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or other variable is impossible or impracticable or otherwise disrupted: As per Conditions 12.3 (*Currency Disruption Events*), 12.4 (*Currency Disruption Fallbacks*) and 12.5 (*Additional Disruption Events*)
- (vii) Business Day Convention: Following Business Day Convention
- (viii) Additional Business Centre(s): New York, London
- (ix) Currency Disruption Events:
  1. Price Source Disruption;
  2. In the reasonable opinion of not less than five unaffiliated members of the Emerging Markets Traders Association (“EMTA”) notified to EMTA (or its successor) by not later than 4 pm, Buenos Aires time on a Valuation Date, ARS MAE (ARS05) has failed, for a period of not less than three consecutive business days in Buenos Aires (for any reason, including due to a split in the currency exchange rate or other event) to reflect the current prevailing Argentine Peso bid and offer rates for a standard size Argentine Peso/U.S. Dollar financial transaction for same-day settlement in the Buenos Aires marketplace on such Valuation Date (an “**Exchange Rate Divergence**”);
  3. Additional Price Source Disruption:
Reference Source: as specified in paragraph 15(iv) above
- (x) Currency Disruption Fallbacks: Determination Agent Determination of Settlement Rate shall apply to all Currency Disruption Events. For the avoidance of doubt, such determination, in the sole discretion of the Determination Agent, acting in good faith and in a commercially reasonable manner, may (but is not required to) include the postponement of the relevant Valuation Date which is a Disrupted Day.

(xi)	Additional Disruption Events:	Change in Law – Applicable Hedging Disruption - Applicable Increased Cost of Hedging - Applicable
(xii)	Other special terms and conditions:	Notwithstanding Condition 12 ( <i>Provisions relating to Currency-Linked Notes</i> ), “ <b>Currency Business Day</b> ” means, for the purposes of: <ul style="list-style-type: none"> <li>(a) the definition of Valuation Date in Condition 12.1 (<i>Valuation Date</i>) a day on which commercial banks are (or but for the occurrence of a Currency Disruption Event, would have been) open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in Buenos Aires, Argentina, and New York, New York (USA); and</li> <li>(b) for any other purpose, a day on which commercial banks are (or but for the occurrence of a Currency Disruption Event, would have been) open for general business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in Buenos Aires, Argentina and New York, New York (USA).</li> </ul>
35.	Inflation-Linked Redemption Provisions:	Not Applicable
36.	Property-Linked Redemption Provisions:	Not Applicable
37.	Fund-Linked Redemption Provisions:	Not Applicable
38.	Credit-Linked Redemption Provisions:	Not Applicable
39.	Preference Share-Linked Redemption Provisions:	Not Applicable
40.	(i) Early Redemption Amount upon Event of Default: (Condition 26)	Par Redemption
	(ii) Early Redemption Amount payable upon an event described in Condition 12.5(c):	Fair Market Value Less Costs
	(iii) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons: (Condition 21.2)	Fair Market Value Less Costs

41. 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 shall apply
42. Substitution of Issuer or Guarantor with non Morgan Stanley Group entities:  
(Condition 38.2) Applicable
43. Governing Law: English law

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

44. Form of Notes:  
(Condition 3) Registered Notes:  
Global Note Certificate registered in the name of a common depository for Euroclear and Clearstream, Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate.
45. Record Date: For so long as the Notes are represented by a Global Note Certificate, the Record Date is one Clearing System Business Day before the relevant due date for payment. The Record Date for Notes in definitive form shall be 15 days before the relevant due date for payment.
46. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: New York, London
47. Determination Agent: 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 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.
48. 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 Not Applicable

(if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

49.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
50.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
51.	Restrictions on free transferability of the Notes:	None
52.	Inconvertibility Event Provisions:	Not Applicable
53.	CNY Center:	Not Applicable
54.	Taxation:	
	(i) Condition 25.1:	"Additional Amounts" is Not Applicable
	(ii) Condition 25.4:	Implementation of Financial Transaction Tax: Not Applicable
55.	Other terms:	<p>(1) Condition 2.1 (<i>Definitions</i>) is amended by:</p> <p style="margin-left: 20px;">(i) replacing the term "Specified Currency" in the definition of "Market Exchange Rate" with "Payment Currency"; and</p> <p style="margin-left: 20px;">(ii) inserting the following definitions alphabetically:</p> <p style="margin-left: 40px;">"Payment Currency" means the currency specified as such in the applicable Pricing Supplement;"</p> <p style="margin-left: 40px;">"Settlement Rate" means the rate specified as such in the applicable Pricing Supplement."</p> <p>(2) Condition 22.9 (<i>Unavailability of Currency</i>) is amended by replacing the words "Specified Currency" where they occur with "Payment Currency".</p> <p>(3) A new Condition 22.10 (<i>Payment Currency</i>) is inserted as follows:</p> <p>"22.10 <b>Payment Currency:</b> Subject to Condition 22.9 (<i>Unavailability of Currency</i>), notwithstanding that calculations of principal, interest and/or any other amounts payable in respect of the Registered Notes are made in the</p>

Specified Currency (being the currency in which the Registered Notes are denominated), the Issuer shall make all payments in respect of the Registered Notes in the Payment Currency. If the Payment Currency and the Specified Currency are not the same, then the Issuer (or the Determination Agent on its behalf) shall determine the Settlement Rate in the manner described in the applicable Pricing Supplement and convert the amount of the relevant payment into the Payment Currency, acting in good faith and in a commercially reasonable manner. All determinations by the Issuer (or the Determination Agent on its behalf) will, in the absence of manifest error, be conclusive for all purposes and binding on the Noteholders.”

**DISTRIBUTION**

- |     |      |   |   |
|-----|------|---|---|
| 56. | (i)  | If syndicated, 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) | Stabilising Manager(s) (if any):  | Not Applicable  |
| 57. |      | If non-syndicated, name and address of Dealer:  | Morgan Stanley & Co. LLC<br>1585 Broadway<br>New York, NY 10036 |
| 58. |      | U.S. Selling Restrictions:  | Regulation S  |
| 59. |      | Total commission and concession:  | Not Applicable  |
| 60. |      | Additional selling restrictions:  | As set out in Annex 1 ( <i>Selling Restrictions</i> ).          |

**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.

**PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the Pricing Supplement required to list and have admitted to trading on Euronext Dublin’s Global Exchange Market the issue of Notes described herein pursuant to the Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.



**POTENTIAL SECTION 871(m) TRANSACTION**

Please see paragraph 5 of Part B – Other Information to this Pricing Supplement for additional information regarding withholding under Section 871(m) of the Code.

**RESPONSIBILITY**

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: \_\_\_\_\_

Duly authorised

A handwritten signature in black ink, appearing to read 'S. K. Leung', is written over a horizontal line. The signature is fluid and cursive.

## 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 Euronext Dublin and trading on its Global Exchange Market with effect from 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.

### 2. RATINGS

Ratings: The Notes will not be rated.

### 3. PERFORMANCE OF CURRENCY AND OTHER INFORMATION CONCERNING THE UNDERLYING

Further information on the Settlement Rate can be found on the Reference Source. For informational purposes only, ARS MAE (ARS05) can also be found at (i) Reuters Screen “ARSPPN=ME” or (ii) Bloomberg Function “FIXI” under the “Emerging Markets Fixings” tab. In the case of any conflict between the rate displayed on the Reference Source and either of the Reuters Page or Bloomberg Pages referenced herein, the rate displayed on the Reference Source shall prevail.

The Issuer does not intend to provide post-issuance information with regard to the Exchange Rate unless required to do so by applicable law.

### 4. OPERATIONAL INFORMATION

ISIN: XS1921301237

Common Code: 192130123

CFI: DTFXFR

FISN: MORGAN STANLEY/36EMTN 20201219

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 Paying Agent(s): The Bank of New York Mellon  
One Canada Square  
London  
18

E14 5AL  
United Kingdom

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 (and registered in the name of a nominee of one of the ICSDs acting 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.

5. **POTENTIAL SECTION 871(m) TRANSACTION:** Not Applicable
6. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** Applicable
7. **BENCHMARK REGULATION:** Not Applicable

## ANNEX 1 – SELLING RESTRICTIONS

Each holder of one or more Notes (each such person, a “Holder”), has represented, warranted and agreed that it will observe all applicable laws and regulations in relation to its acquisition of any Note and in relation to its use or communication of (or of information contained in) any offering document, term-sheet, circular, advertisement or other promotional material in any country or jurisdiction.

Each Holder has also:

- (a) (1) acknowledged that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any securities laws of any state in the United States, are subject to U.S tax law requirements, and may not be offered, sold or delivered, at any time, directly or indirectly, within the United States or to or for the account or benefit of U.S. persons; (2) represents, as a condition to acquiring any interest in a Note, that neither such Holder nor any person for whose account or benefit such Note is being acquired is a U.S. Person, is located in the United States or was solicited to acquire any interest in such Note while present in the United States, (3) agrees not to offer, sell or deliver any Note, directly or indirectly, in the United States to any U.S. Person and (4) represents and agrees that neither such Holder, its affiliates nor any person acting on its or their behalf has engaged in any directed selling efforts with respect to any Note and that such Holder, its affiliates and any person acting on its or their behalf have complied with and will comply with the offering requirements of Regulation S. Terms used in this paragraph have the meanings given to them in Regulation S.
- (b) represented, warranted and agreed that :
  - (i) where the proceeds of Notes would constitute a deposit for the purposes of article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended) and either the issue proceeds of such Notes are received by the Issuer in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (A) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (B) it has not offered or sold and will not offer or sell any Note other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of Financial Services and Markets Act 2000, as amended (the “**FSMA**”) by the Issuer;
  - (ii) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue of any Note in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
  - (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Note in, from or otherwise involving the United Kingdom.
- (c) represented, warranted and agreed that it has obtained any necessary governmental, regulatory, tax, exchange control or other approvals or consents in relation to its acquisition of any Note; and
- (d) represented, warranted and agreed that it has not made and will not make an offer of the Notes to the public in any jurisdiction.

## ANNEX 2 – 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, warranties, undertakings and acknowledgements from the purchaser to the Issuer, the Guarantor, the Dealer and each of their affiliates:

- a) you represent and undertake to the Issuer, the Guarantor, the Dealer and each of their affiliates that (i) you are purchasing the Notes as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Guarantor, the Dealer or their affiliates is acting as a fiduciary or an advisor to you in respect of the Notes; (iii) you are not relying upon any representations made by the Issuer, the Guarantor, the Dealer 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 investment, hedging and trading decisions based upon your own judgment and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer, the Guarantor, the Dealer, each of their respective affiliates or any of their respective directors, officers, employers, agents (each a “**Person**”), (v) you are purchasing the Notes with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks and (vi) you are not purchasing the Notes as an extension of credit to the Issuer pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- 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 Notes 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 Notes and that the Notes are suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the Notes, 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 that 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 this 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 acknowledge and agree that the Issuer, the Guarantor, the Dealer and each of their affiliates are not providing and have not provided investment advice to you or your investors in relation to any Notes. You have taken and shall take your own advice and you agree to make your own independent assessment of whether the Notes are suitable and appropriate investments for yourself and, if you on-sell the Notes, you and your investors agree and acknowledge that neither of you have relied upon and are not relying upon on any advice, counsel or representations (whether oral or in writing) of the Issuer, the Guarantor, the Dealer or any of their affiliates as a recommendation to purchase the Notes or as any form of investment advice;
- f) you represent and undertake to the Issuer, the Guarantor, the Dealer and each of their affiliates that (i) you will not, directly or indirectly, offer, sell or arrange the sale of any Notes or distribute or publish any offering materials (which for the avoidance of doubt will include any offering circular,

prospectus, marketing materials, form of application, advertisement, other document or information) or carry out any type of solicitation in connection with the Notes (in either case in any manner whatsoever, including via the internet) in any country or jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations (including, for the avoidance of doubt, Rule 903(a) and 903(b)(2) of Regulation S of the Securities Act), and that will not constitute a public offering of the Notes as such term is understood under the applicable laws of the relevant country or jurisdiction, or give rise to any liability for any Person and (ii) in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") you have not made and will not make an offer of any Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State: (aa) if an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus; (bb) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (cc) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive (but excluding Article 3(2)(b) (offers to fewer than 150 natural or legal persons)), provided that no such offer of Notes referred to in (bb) or (cc) above shall require the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU;

- g) you (i) acknowledge that the Notes have not been and will not be registered under the Securities Act or any securities laws of any state of the United States and are subject to U.S. tax requirements; (ii) agree that you and each of your affiliates will not offer, sell, transfer or deliver, at any time, any of the Notes, directly or indirectly, in the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act and the Internal Revenue Code); and (iii) undertake to the Issuer, the Guarantor, the Dealer and each of their affiliates that all offers, sales and arrangements of sales of any Notes by you will be made on terms requiring the person(s) with whom it is dealing to undertake as set out in (i), (ii) and (iii) above;
- h) you shall comply and shall procure that your affiliates, as appropriate, shall comply, with all applicable selling restrictions in respect of the sale of the Notes in any jurisdiction, including, without limitation those set out in the prospectus, and restrictions and requirements set out in the issue documents and any other regulations relating to the offer, sale or transfer of any Notes;
- i) 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;

- j) if you receive any fee, rebate or discount, you shall not be in breach of any Regulations or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulations, 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
- k) you agree and undertake (on an after-tax basis) to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Guarantor, 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 failing to comply with any of the provisions set out in (a) to (j) above, or acting otherwise than as required or contemplated herein.

