

MORGAN STANLEY B.V.

Issue of EUR 2,485,000 Floating Rate Notes due 2024

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 ("MIFID II");**
- (B) **A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, 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.**

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 REGULATIONS 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 30 JUNE 2017. 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 30 June 2017 and the supplements to the Offering Circular dated 31 August 2017, 20 October 2017, 30 November 2017 and 29 March 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 the Irish Stock Exchange (www.ise.ie) and the Luxembourg Stock Exchange (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. Given the highly specialised nature of these Notes, the Issuer and its affiliates consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment in the Notes and who are willing to take such risks. 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:

Investors Are Subject to the Issuer's and Guarantor's Credit Risk, and Any Actual or Anticipated Changes to the Issuer's and/or Guarantor's Credit Ratings or Credit Spreads May Adversely Affect the Market Value of the Notes. Investors are dependent on the Issuer's and/or Guarantor's ability to pay all amounts due on the Notes on Interest Payment Dates and at maturity and therefore investors are subject to the Issuer's and Guarantor's credit risk and to changes in the market's view of the Issuer's and/or Guarantor's

creditworthiness. If the Issuer defaults on its obligations under the Notes, investors' investments would be at risk and they could lose some or all of their investment. As a result, the market value of the Notes prior to maturity will be affected by changes in the market's view of the Issuer's and/or Guarantor's creditworthiness. Any actual or anticipated decline in the Issuer's and/or Guarantor's credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the Notes.

The Historical Performance of 3 month EURIBOR (the "Reference Rate") Is Not an Indication of Future Performance. The historical performance of the Reference Rate should not be taken as an indication of future performance during the term of the Notes. Changes in the levels of the Reference Rate will affect the trading price of the Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that the Reference Rate will be positive.

You May Incur a Loss on Your Investment If You Sell Your Notes Prior to Maturity. The Notes provide for the repayment of principal only at maturity, subject to the Issuer's and Guarantor's credit risk. If you are able to sell your Notes in the secondary market prior to maturity, you may have to sell them at a loss relative to your initial investment.

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

The Price at Which the Notes May Be Sold Prior to Maturity Will Depend on a Number of Factors and May Be Substantially Less than the Amount for Which They Were Originally Purchased. Some of these factors include, but are not limited to: (i) actual or anticipated changes in the level of the Reference Rate, (ii) volatility of the level of the Reference Rate, (iii) changes in interest and yield rates, (iv) any actual or anticipated changes in the Issuer's and Guarantor's credit ratings or credit spreads and (v) time remaining to maturity. Generally, the longer the time remaining to maturity and the more tailored the exposure, the more the market price of the Notes will be affected by the other factors described in the preceding sentence. This can lead to significant adverse changes in the market price of securities like the Notes. Depending on the actual or anticipated level of the Reference Rate, the market value of the Notes is expected to decrease and investors may receive substantially less than the Issue Price if they are able to sell their Notes prior to maturity. Accordingly, you should be willing to hold your Notes to maturity.

Secondary Trading May Be Limited: 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 the Issuer does 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 the Dealer is willing to transact. If at any time the 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 Issuer or its 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 or the Reference Rate specifically. 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 market value of the Notes. In addition, the Issuer's affiliates expect to hedge the Issuer's obligations under the Notes and they may realize a profit from that 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.

The Determination Agent, Which Is an Affiliate of the Issuer, Will Make Determinations with Respect to the Notes: Any of these determinations made by the Determination Agent may adversely affect the payout to investors. Moreover, certain determinations made by the Determination Agent may require it to exercise discretion and make subjective judgments, such as with respect to the Reference Rate. The economic interests of the Determination Agent may be adverse to investors' interests. These potentially subjective determinations may adversely affect the payout to investors on the Notes.

Tax and Accounting Considerations: Special tax and/or accounting considerations may apply to certain types of holders. Prospective investors are urged to consult with their own tax advisors and accounting advisors to determine any tax or accounting implications of this investment.

In purchasing any Notes, 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 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.

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. Potential investors are urged to seek the advice of their own professional advisers about the consequences of any investment in the Notes.

GENERAL

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| 1. | (i) Issuer: | Morgan Stanley B.V. |
| | (ii) Guarantor: | Morgan Stanley |
| 2. | Series Number: | Series OC157326 |
| 3. | Specified Currency or Currencies: | EUR |
| 4. | Aggregate Nominal Amount of the Notes: | EUR 2,485,000 |
| 5. | Issue Price | 100 per cent. of par per Note |
| 6. | (i) Specified Denominations: | EUR 1,000 |
| | (ii) Calculation Amount (Par): | EUR 1,000 |
| 7. | (i) Issue Date: | 28 June 2018 |
| | (ii) Trade Date: | 25 June 2018 |
| | (iii) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 28 June 2024 |
| 9. | Interest Basis: | 3 month EUR-EURIBOR-Reuters – Floating Rate.
See item 17 below

<i>(further particulars specified below)</i> |
| 10. | Redemption/Payment Basis: | Redemption at Par |
| 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 |

	(Condition 21.5)	
(ii)	Redemption at the Option of Not Applicable Noteholders:	
	(Condition 21.7)	
(iii)	Autocallable Early Redemption:	Not Applicable
	(Condition 18)	
(iv)	Other put/call options:	Not Applicable
13.	(i) Status of the Notes:	As set out in Condition 4.1
	(Condition 4)	
	(ii) Status of the Guarantee:	As set out in Condition 4.2
14.	Method of distribution:	Non-syndicated

RELEVANT UNDERLYING

15.	Underlying	
(A)	Single Share Notes, Share Basket Notes:	Not Applicable
(B)	Single Index Notes, Index Basket Notes:	Not Applicable
(C)	Single ETF Notes, ETF Basket Notes:	Not Applicable
(D)	Commodity-Linked Notes:	Not Applicable
(E)	Currency-Linked Notes:	Not Applicable
(F)	Inflation-Linked Notes:	Not Applicable
(G)	Property-Linked Notes:	Not Applicable
(H)	Fund-Linked Notes:	Not Applicable
(I)	Preference Share-Linked Notes	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	Not Applicable
17.	Floating Rate Note Provisions	Applicable
(i)	Interest Payment Dates:	28 th March, 28 th June, 28 th September and 28 th December in each year from and including 28 th September 2018, to and including the 28 th June 2024, subject to adjustment in accordance with the Business Day Convention
(ii)	First Interest Payment Date:	28 th September 2018
(iii)	Interest Period:	As set out in Condition 2.1; Unadjusted

(iv)	Business Day Convention:	Following Business Day Convention
(v)	Specified Period:	Not Applicable
(vi)	Additional Business Centre(s):	London and TARGET
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	ISDA Determination
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	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.
(ix)	Screen Rate Determination:	Not Applicable
(x)	ISDA Determination:	Applicable
	(a) Floating Rate Option:	EUR-EURIBOR-Reuters
	(b) Designated Maturity:	3 months
	(c) Reset Date:	First day of each Interest Period
(xi)	Margin(s):	Not Applicable
(xii)	Minimum Rate of Interest:	0.40 per cent. per annum
(xiii)	Maximum Rate of Interest:	Not Applicable
(xiv)	Day Count Fraction:	30/360
(xv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	If EUR-EURIBOR Reuters has been permanently discontinued, the Determination Agent will, subject as provided below, use as a substitute for such rate in respect of any date on which EUR-EURIBOR Reuters is to be determined hereunder, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the Eurozone (or one or more of its constituent member states as selected by the Determination Agent) that is consistent with accepted market practice (the “ Alternative Rate ”). As part of such substitution, the Determination Agent will, after consultation with the Issuer, make such adjustments to the Alternative Rate or the spread thereon, as well as the business day convention, determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations

such as the Notes. If, however, the Determination Agent determines that no Alternative Rate exists on the relevant date, it shall make a determination, after consultation with the Issuer, of an alternative rate as a substitute for EUR-EURIBOR Reuters for debt obligations such as the Notes, as well as the spread thereon, the business day convention, determination dates and related provisions and definitions, that is consistent with accepted market practice.

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 (Condition 18)	Not Applicable
30.	Final Redemption Amount of each Note (Condition 21.1)	EUR 1,000 per Calculation Amount
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	Not Applicable
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 10.2(b)/10.4(a)(iii)/10.5(c)/10.6(c)/10.7(c)/10.8(c)/11.7(b)/12.5(c)/13.6(c)/14.5/14.6(c)/15.5(d)/17.4/17.5/17.6:	Not Applicable
	(iii) Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons: (Condition 21.2)	An amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realised by the Issuer and/or any Affiliate on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion.
	(iv) Early redemption amount(s) per Calculation Amount payable on redemption on other early redemption (other than as specified in paragraphs 40(i), 40(ii) and 40(iii) above and paragraph 41(ii) below):	Not Applicable
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 Value Less Costs
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 depositary for Euroclear and Clearstream,
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		Luxembourg, exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
45.	Record Date:	As set out in the Conditions
46.	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	New York and London
47.	Determination Agent:	Morgan Stanley & Co. International plc
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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
49.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
50.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
51.	Restrictions on free transferability of the Notes:	None
52.	Inconvertibility Event Provisions: (Condition 19)	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: Applicable
55.	Other terms:	None

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. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
58. U.S. Selling Restrictions: Regulation S
59. Additional selling restrictions: Not Applicable

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.

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 accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____

Duly authorised


Morgan Stanley B.V.
TMF Management B.V.
Managing Director
27/4/18

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market with effect from the Issue Date.

No 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 INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

As at the Issue Date, information about the past and the further performance of the interest rate and its volatility can be obtained from the website of the European Money Markets Institute (<https://www.emmi-benchmarks.eu>).

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

4. OPERATIONAL INFORMATION

ISIN: XS1414126125

Common Code: 141412612

Valoren Number: 32619405

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
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 these 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

ANNEX 1 – 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 Dealer and each of their affiliates:

- a) you represent and undertake to the Issuer, 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 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 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 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 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 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 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 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 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) to the extent that the Dealer pays to you and/or any of your affiliates any fee, commission or non-monetary benefit (“**Remuneration**”), you represent and warrant that each time you and/or any of your affiliates receive such Remuneration, that you and/or your affiliates are entitled to receive such Remuneration in accordance with all applicable laws, regulatory requirements, or regulation, contract, fiduciary obligations or otherwise). If, in relation to the Notes, you are providing investment advice on an independent basis or portfolio management to a potential investor, you will transfer any Remuneration received by from Morgan Stanley to the potential investor as soon as reasonably possible after receipt, in all cases as required by and in accordance with applicable laws and regulations;
- k) if for any reason and at any time, you and/or your affiliates are not entitled to receive and/or retain such Remuneration, you shall notify us immediately in writing;
- l) to the extent that the Dealer pays Remuneration to you and/or any of your affiliates, you represent and warrant that such Remuneration does not relate to and/or is not calculated in respect of an advised sale made to a retail client (as defined in the FCA Handbook) based in the United Kingdom (whether or not through agents acting on your or their behalf such as platforms, financial advisers and/or portfolio managers) or where you are undertaking portfolio management. You agree to inform the Dealer of any such distribution to UK retail clients;
- m) 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
- n) you agree and undertake (on an after-tax basis) 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 failing to comply with any of the provisions set out in (a) to (m) above, or acting otherwise than as required or contemplated herein.