

Final Terms dated 29 September 2010

Morgan Stanley B.V.

As Issuer

Morgan Stanley

As Guarantor

Issue of up to EUR 10,000,000 Equity linked notes due 2015

under the Program for the Issuance of Notes, Series A and B, Warrants and Certificates

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (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 of the Notes may only do so:

- (i) 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; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 48 of Part A below, provided such person is one of the persons mentioned in Paragraph 48 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Distribution Agent has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

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

PART A – CONTRACTUAL TERMS

THE NOTES DESCRIBED HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES DESCRIBED HEREIN 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 (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED). SEE "*SUBSCRIPTION AND SALE*" AND "*NO OWNERSHIP BY U.S. PERSONS*" IN THE BASE PROSPECTUS DATED 15 JUNE 2010. 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 FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE NOTES ARE NOT RATED.

This document constitutes Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the English Law Notes set forth in the Base Prospectus dated 15 June 2010 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus are available

from the offices of Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA.

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 Underlying Shares (as defined herein), and may be less than par. Given the highly specialised nature of these Notes, Morgan Stanley B.V. (the "Issuer") and Morgan Stanley & Co. International plc (hereafter, "MSI plc") consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying Shares, are willing to take risks and can absorb the partial or complete loss of their initial investment.

Consequently, if you are not an investor who falls within the description above you should not consider purchasing these 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 see the Base Prospectus for a full detailed description of the Notes and in particular, please review the Risk Factors associated with these Notes. Investing in the Notes entails certain risks including, but not limited to, the following:

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

Credit Risk: The holder of the Notes will be exposed to the credit risk of the Issuer and the Guarantor.

Exit Risk: The secondary market price of the Notes will depend on many factors, including the value and volatility of the Underlying Shares, the level of the Underlying Shares at any time on any day and the time left until the maturity of the Notes, interest rates, the dividend rate, time remaining to maturity and the creditworthiness of the Issuer. Therefore the holder may receive an amount which may be less than the then intrinsic market value of the Notes and which may also be less than the amount the holder would have received had the holder held the Notes through to maturity.

Hedging Risk: On or prior to and after the Trade Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Notes by taking positions in the Underlying Shares, in option contracts on the Underlying Shares or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying Shares as part of their general businesses. Any of these activities could potentially affect the value of the Underlying Shares including on the Determination Date, and accordingly, could significantly affect the payout to holders on the Notes.

Liquidity Risk: The Dealer will make a secondary market in the Notes on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. The liquidity of the Notes reflects the liquidity of the Underlying Shares and even whilst there may be a secondary market in the Notes it may not be liquid enough to facilitate a sale by the holder.

No Shareholder Rights: A holder of Notes will have no beneficial interest in or any voting rights and will not have the right to receive dividends or other distributions with respect to the Underlying Shares.

Potential Conflict of Interest: The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the

Notes. Determinations made by the Determination Agent, including in the event of a market disruption may affect the amount payable to holders pursuant to the terms of the Notes.

Underlying Issuer Risk: The issuers of the Underlying Shares are not affiliates of the Issuer or its affiliates and are not involved with this offering in any way. Consequently, the Issuer and its affiliates have no ability to control the actions of the issuer of the Underlying Shares, including any corporate actions that could trigger an adjustment to the terms of the Notes by the Determination Agent.

In purchasing any Notes, purchasers will be deemed to represent and undertake to the Issuer, MSI plc and their respective affiliates in accordance with the terms set out in Annex 1.

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|-----|-------|---|---|
| 1. | (i) | Issuer: | Morgan Stanley B.V. |
| | (ii) | Guarantor: | Morgan Stanley |
| 2. | (i) | Series Number: | To be confirmed |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euros (“ EUR ”) |
| 4. | | Aggregate Nominal Amount of the Notes: | |
| | (i) | Series: | <i>The indicative Nominal Amount is EUR 10,000,000, the Issuer shall confirm the final Notional Amount to be issued upon the closing of Offer Period.</i> |
| | (ii) | Tranche: | <i>The indicative Nominal Amount is EUR 10,000,000, the Issuer shall confirm the final Notional Amount to be issued upon the closing of Offer Period.</i> |
| 5. | | Issue Price | 100 per cent. of par per Note |
| 6. | (i) | Specified Denominations (Par): | EUR 5,000 |
| | (ii) | Calculation Amount: | Par |
| 7. | (i) | Issue Date: | 29 September 2010 |
| | (ii) | Trade Date: | 10 September 2010 |
| | (iii) | Interest Commencement Date: | Not Applicable |
| 8. | | Maturity Date: | 22 September 2015 subject to adjustment |
| 9. | | Interest Basis: | Not Applicable |
| 10. | | Redemption/Payment Basis: | Equity-Linked Redemption |
| 11. | | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | | Put/Call Options: | |
| | (i) | Redemption at the option of the Issuer: | Not Applicable |
| | | (Condition 15.7) | |
| | (ii) | Redemption at the option of the Noteholders: | Not Applicable |

	(Condition 15.9)	
	(iii) Other Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Unsecured and unsubordinated, which rank <i>pari passu</i> among themselves and all other outstanding unsecured and unsubordinated obligations

	(Condition 4)	
	(ii) Status of the Guarantee:	As per the Conditions
14.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Not Applicable
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(Condition 5)

16.	Floating Rate Note Provisions	Not Applicable
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(Condition 6)

17.	Zero Coupon Note Provisions	Not Applicable
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(Condition 7)

18.	Dual Currency-Linked Note Interest Provisions	Not Applicable
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(Condition 8)

19.	Equity Linked Note Interest Provisions	Not Applicable
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20.	Commodity Linked Note Interest Provisions	Not Applicable
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21.	Currency Linked Interest Note Provisions	Not Applicable
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22.	Inflation-Linked Note Interest Provisions	Not Applicable
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23.	Credit-Linked Interest Note Provisions	Not Applicable
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24.	Property-Linked Interest Note Provisions	Not Applicable
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REDEMPTION

25.	Call Option	Not Applicable
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(Condition 15.7)

26.	Put Option	Not Applicable
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(Condition 15.9)

27.	Final Redemption Amount of each Note	Equity Linked Redemption Amount specified below in item 29
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(Condition 16.1)

28. **Dual Currency Redemption Provisions** Not Applicable

(Condition 8)

29. **Equity-Linked Redemption Provisions** Applicable

(Condition 10)

(A) Single Share Notes, Share Basket Notes:

(i) Whether the Notes relate to a Share basket

single share or a basket of shares (each an "Underlying Share") and the identity of the relevant issuer(s) and class of the Underlying Share (each, an "Underlying Issuer"):

I	Underlying Share _i (each a "Basket Component")	Bloomberg Code	Initial Reference Price
1	NOKIA OYJ	NOK1V FH Equity	Will be determined in accordance with item 29 (v)
2	FORTUM OYJ	FUM1V FH Equity	
3	SAMPO OYJ-A SHS	SAMAS FH Equity	
4	KONE OYJ-B	KNEBV FH Equity	
5	UPM-KYMMENE OYJ	UPM1V FH Equity	
6	TELIASONERA AB	TLSN SS Equity	
7	NORDEA BANK AB	NDA SS Equity	
8	STORA ENSO OYJ-R SHS	STERV FH Equity	
9	NESTE OIL OYJ	NES1V FH Equity	
10	OUTOKUMPU OYJ	OUT1V FH Equity	
11	WARTSILA OYJ	WRT1V FH Equity	
12	METSO OYJ	MEO1V FH Equity	

(ii) Exchange[s]: Helsinki Stock Exchange

(iii) Related Exchange[s]: All Exchanges

- (iv) Determination Agent responsible for calculating the Final Redemption Amount: Morgan Stanley & Co. International plc. 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.
- (v) Provisions for determining Final Redemption Amount: Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Issuer shall redeem the Notes on the Maturity Date at the Final Redemption Amount per Note as determined by the Determination Agent for an amount equal to **PAR x [100% + Participation x Max (0%, Basket Performance – 100%)]**,

Where:

“**Basket Performance**” means the amount equal to:

$$\frac{\sum_{i=1}^8 \left(\frac{\text{RankedUnderlying}_i^{\text{End}}}{\text{RankedUnderlying}_i^{\text{Start}}} \right) + (1 + C) \times 4}{12} ;$$

“**C**” means 50%;

“**Ranked Underlying**^{Start}_i” means the arithmetic average of the official closing levels of the Underlying Share_i on the respective Averaging In Dates;

“**Ranked Underlying**^{End}_i” means the arithmetic average of the official closing price of the Underlying Share_i on the relevant Exchange on the Averaging Out Dates;

“**i** (=1,... 8)” for the purpose of the Ranked Underlying^{End}_i and Ranked Underlying^{Start}_i definitions corresponds with the 8 Underlying Equities with the lowest Underlying Performance;

“**Underlying Performance**” means the performance calculated in accordance with Final Reference Price_i/ Initial Reference Price_i;

“**Initial Reference Price**” means the arithmetic average closing price of the relevant Basket Component on the relevant Exchange on the respective Averaging In Dates;

“**Final Reference Price**” means the arithmetic average closing price of the relevant Basket Component on the relevant Exchange on the respective Averaging Out Dates; and

“**Participation**” means a percentage indicatively set at 110 per cent; the final percentage will be determined on the Trade Date and will be at least

90%.

(vi)	Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Underlying Shares, Cash Settlement or Physical Delivery at the option of the Issuer:	Cash Settlement
(vii)	Weighting for each Underlying Share comprising the basket:	Not Applicable
(viii)	Averaging Dates:	Averaging Out Dates and Averaging In Dates (Modified Postponement applies)
		Where
		“ Averaging Out Dates ” means monthly, the 10th of each month from and including 10th of September 2014 up to and including the Determination Date (13 observations in total);
		“ Averaging In Dates ” means monthly, the 10th of each month from and including 10 th of September 2010 up to and including 10th November 2010 (3 observations in total)
(ix)	Determination Date:	10 September 2015
(x)	Determination Time:	As set out in the Conditions
(xi)	Potential Adjustment Events:	Applicable
(xii)	Delivery provisions for Underlying Shares (including details of who is to make such delivery):	Not Applicable
(xiii)	Physical Settlement:	Not Applicable
(xiv)	Additional Disruption Events	Change in Law, Hedging Disruption and Increased Cost of Hedging
(xv)	Other special terms and conditions:	“ Extraordinary Events ” means Merger Event, Nationalisation, Insolvency and Delisting.
		“ Business Day Convention ” means Modified Following
30.	Commodity-Linked Provisions (Condition 11)	Redemption Not Applicable
31.	Currency-Linked Provisions (Condition 12)	Redemption Not Applicable
32.	Inflation-Linked	Redemption Not Applicable

Provisions

	(Condition 13)	
33.	Credit Linked Redemption Provisions	Not Applicable
	(Condition 19)	
34.	Property-Linked Redemption Provisions	Not Applicable
	(Condition 14)	
35.	Early Redemption Amount upon early redemption	
	(Conditions 15.2, 15.3, 15.5, 15.10, 20 and 21)	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	As defined in Condition 2.
36.	Governing Law:	English law
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
37.	Form of Notes:	Finnish Notes
	(Condition 3)	
38.	Additional Business Centre(s) or other special provisions relating to Payment Dates:	London and Helsinki
39.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
40.	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
41.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
42.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
43.	Restrictions on free transferability of the Notes:	None
44.	Other final terms:	Not Applicable

DISTRIBUTION

45. (i) If syndicated, names of Managers: Not Applicable
- (ii) Date of [Subscription] Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
46. If non-syndicated, name and address of Dealer: Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA
47. U.S. Selling Restrictions: Reg. S Compliance Category
48. Non-exempt offer: An offer of the Notes may be made by the Distributor other than pursuant to Article 3(2) of the Prospective Directive in Finland (the “**Public Offer Jurisdiction**”) during the period from 28 June 2010 until 6 September 2010 (the “**Offer Period**”).
49. Total commission and concession: Not Applicable
50. Additional selling restrictions: Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B of Morgan Stanley.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Regulated Market and to be listed on the Official List of the UK Listing Authority with effect from the Issue Date

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

"Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer".

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: The net proceeds from the sale of Notes will be used by the Issuer for general corporate purposes, in connection with hedging the Issuer's obligations under the Notes, or both

(ii) Estimated net proceeds: Up to EUR 10,000,000

5. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Past and future performance including the volatility of the Underlying Equities can be obtained from www.nokia.com, www.fortum.com, www.sampo.com, www.kone.com, www.upm.com, www.teliasonera.com, www.nordea.com, www.storaenso.com, www.nesteoil.com, www.outokumpu.com, www.wartsila.com, www.metso.com and on Bloomberg.

6. OPERATIONAL INFORMATION

ISIN Code: FI4000014444

New Global Note: No

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme* and the relevant identification number(s): Euroclear Finland Ltd.
Urho Kekkonen Katu 5 C
PO Box 110
FI-00101 Helsinki
Finland

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): Nordea Finland plc

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

Intended to be held in a manner which would allow No

Eurosystem eligibility:

7. **TERMS AND CONDITIONS OF THE OFFER**

Offer Price:	The Issue Price and an additional subscription fee of 2% of Par
Conditions to which the offer is subject:	Not Applicable
Description of the application process:	Not Applicable
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	The Issuer has the right to terminate the subscription period at any time during the offer period, being 1pm CET on 28 June 2010 to 1 pm CET on 6 September 2010
Details of the minimum and/or maximum amount of application:	Not Applicable
Details of the method and time limited for paying up and delivering the Notes:	The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.
Manner in and date on which results of the offer are to be made public:	The results of the offer will be communicated to applicants by the Issuer by means of a notice to be published on the website of the Issuer.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	Not Applicable
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	Not Applicable
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	Distributor: Garantum Fondkommission AB of Norrmalmstorg 16, Stockholm, Sweden (the “ Distributor ”)

ANNEX 1

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

- a) (i) you are purchasing the instruments as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the instruments; (iii) you are not relying upon any representations made by the Issuer, the Guarantor or any of their affiliates; (iv) you have consulted with your own legal, regulatory, tax, business, investments, financial, and accounting advisers to the extent that you have deemed necessary, and you have made your own investments, hedging and trading decisions based upon your own judgement and upon any advice from such advisors as you have deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents and (v) you are purchasing the instruments with a full understanding of the terms, conditions and risks thereof and you are capable of and willing to assume those risks;
- b) you shall only distribute as principal or, alternatively, acting on a commission basis in your own name for the account of your investors and will not do so as agent for any Morgan Stanley entity (together “Morgan Stanley”) who shall assume no responsibility or liability whatsoever in relation to any such distribution. You shall distribute the product in your own name and to such customers as you identify in your own discretion, at your own risk and under your sole responsibility. You shall make such enquiries you deem relevant in order to satisfy yourself that prospective investors have the requisite capacity and authority to purchase the product and that the product is suitable for those investors;
- c) you shall not make any representation or offer any warranty to investors regarding the product, the Issuer or Morgan Stanley or make any use of the Issuer’s or Morgan Stanley’s name, brand or intellectual property which is not expressly authorised and you shall not represent you are acting as an agent of Morgan Stanley in such distribution. You acknowledge that neither the Issuer nor Morgan Stanley assume any responsibility or liability whatsoever in relation to any representation or warranty you make in breach hereof;
- d) if you distribute any material prepared and transmitted by the Issuer or by Morgan Stanley, you shall only distribute the entire material and not parts thereof. Any material you, or any third party you engage on your behalf, prepare shall be true and accurate in all material respects and consistent in all material respects with the content of the Base Prospectus and the Final Terms and shall not contain any omissions that would make them misleading. You shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes, directives, orders and/or regulatory requirements, rules and guidance in force from time to time (“Regulations”). You acknowledge that neither the Issuer nor Morgan Stanley shall have any liability in respect of such material which shall, for the avoidance of doubt, at all times be your sole responsibility;
- e) you will not, directly or indirectly, distribute or arrange the distribution of the product or disseminate or publish (which for the avoidance of doubt will include the dissemination of any such materials or information via the internet) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling practices, and will not give rise to any liability for the Issuer or Morgan Stanley. For the avoidance of doubt, this includes compliance with the selling restrictions mentioned herein;
- f) if you receive any fee, rebate or discount, you shall not be in breach of any Regulation or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to your investors. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and Morgan Stanley are obliged to disclose the amounts and/or basis of such fees, rebates or discounts at the request of any of your investors or where required by any applicable Regulations.

- g) (i) except to the extent permitted under United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the D Rules), you have not (A) offered or sold and will not offer or sell during the Restricted Period any Securities to a person who is within the United States or its possessions or to any United States person and (B) delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the Restricted Period; (ii) you have, and throughout the Restricted Period will have, in effect procedures reasonably designed to ensure that your employees or agents who are directly engaged in selling Securities are aware that such Securities may not be offered or sold during the Restricted Period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules; (iii) if you are a United States person, you are acquiring Securities for purposes of resale in connection with their original issuance and if you retain Securities for your own account, you will only do so in accordance with the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6); (iv) if you transfer Securities to any affiliate for the purpose of offering or selling such securities during the Restricted Period, you will either (A) obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii) and (iii) above or (B) repeat and confirm the representations and agreements contained in clauses (i), (ii) and (iii) above on such affiliate's behalf and obtain from such affiliate the authority to so obligate you; and (v) you will obtain for the benefit of the Issuer the representations and agreements contained in clauses (i), (ii), (iii) and (iv) above from any person other than your affiliate with whom you enter into a written contract, within the meaning of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4), for the offer or sale of Securities during the Restricted Period. For the purposes of this paragraph an offer or sale of Securities will be considered to be made to a person who is within the United States or its possessions if the offeror or seller of such Securities has an address within the United States or its possessions for the offeree or purchaser of such Securities with respect to the offer or sale. Terms used in this paragraph shall have the meaning given to them by the U.S. Internal Revenue Code and the United States Treasury Regulations thereunder, including the D Rules;
- h) you will be committed to purchase at the issue price stated in the term sheet (or at the price otherwise agreed between us) instruments, when issued, in the agreed quantity and having terms, as provided in the definitive documentation, consistent with those in this term sheet (subject to any modifications agreed between us);
- i) we may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to us shall include liability for our costs and losses in unwinding such hedging or other arrangements;
- j) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Dealer and each of their respective affiliates and their respective directors, officers and controlling persons from and against any and all losses, actions, claims, damages and liabilities (including without limitation any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any such action or claim) caused directly or indirectly by you or any of your affiliates or agents to comply with any of the provisions set out in (a) to (i) above, or acting otherwise than as required or contemplated herein.
- k) You are not purchasing the Notes as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.