

FINAL TERMS dated 10 November 2010

Series Number: W834

Tranche: 1

ISIN: NL0009590298

Morgan Stanley BV

as Issuer

Morgan Stanley

As Guarantor

*PROGRAM FOR THE ISSUANCE OF NOTES, SERIES A AND B, WARRANTS AND
CERTIFICATES*

Issue of up to 5,000 Warrants due 2012

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 Warrants 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 Warrants. Accordingly any person making or intending to make an offer of the Warrants may only do so in:

- (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 32 of Part A below, provided such person is one of the persons mentioned in Paragraph 32 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 Warrants in any other circumstances.

THE WARRANTS 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 WARRANTS 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 WARRANTS, PURCHASERS WILL BE DEEMED TO REPRESENT AND WARRANT THAT THEY ARE NEITHER LOCATED IN THE UNITED STATES NOR A U.S. PERSON AND THAT THEY ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON. THE WARRANTS ARE NOT RATED.

THE WARRANTS ARE SENIOR UNSECURED OBLIGATIONS OF MORGAN STANLEY, AND ALL PAYMENTS ON THE WARRANTS ARE SUBJECT TO THE CREDIT RISK OF MORGAN STANLEY. THE WARRANTS ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

This document constitutes Final Terms relating to the issue of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Warrants and Certificates set forth in the Base Prospectus dated 15 June 2010 (the "**Base Prospectus**")

for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms relating to the issue of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive. 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

Warrantholders and prospective purchasers of Warrants should ensure that they understand the nature of the Warrants and the extent of their exposure to risk and that they consider the suitability of the Warrants as an investment in the light of their own circumstances and financial condition. The amount payable on redemption of the Certificates is linked to the performance of the Indices (as defined herein). Given the highly specialised nature of these Warrants, Morgan Stanley BV (the "Issuer") and Morgan Stanley & Co. International plc ("MSI plc") consider that they are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying and are willing to take risks and can absorb the partial or complete loss of their initial investment.

Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Warrants without taking detailed advice from a specialised professional adviser.

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any proposed or actual investment in these Warrants.

Please see the Base Prospectus for a full detailed description of the Warrants and in particular, please review the Risk Factors associated with these Warrants. Investing in the Warrants entails certain risks including, but not limited to, the following:

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

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

Exit Risk: The secondary market price of the Certificates will depend on many factors, including interest rates, 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 Warrants and which may also be less than the amount the holder would have received had the holder held the Warrants through to maturity.

Hedging Risk: On or prior to and after the Strike Date, the Issuer, through its affiliates or others, will likely hedge its anticipated exposure under the Warrants by taking positions, in option contracts on the Underlying or positions in any other available securities or instruments.

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

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

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 Warrants. Determinations made by the Determination Agent may affect the amount payable to holders pursuant to the terms of the Warrants.

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

Other considerations: The original issue price of the Warrants includes the agent's commissions paid with respect to the Warrants and the cost of hedging the Issuer's obligations under the Warrants. The cost of hedging includes the projected profit that the Issuer's subsidiaries may realize in consideration for assuming the risks inherent in managing the hedging transactions. The subsidiaries through which the Issuer hedges its obligations under the Warrants expect to make a profit. Since hedging the Issuer's obligations entails risk and may be influenced by market forces beyond the control of the Issuer or its subsidiaries, such hedging may result in a profit that is more or less than initially projected, or could result in a loss.

Assuming no change in market conditions or any other relevant factors, the price, if any, at which MSI plc is willing to purchase Warrants in secondary market transactions will likely be lower than the original issue price, since the original issue price includes, and secondary market prices are likely to exclude, commissions paid with respect to the Warrants as well as the projected profit included in the cost of hedging the Issuer's obligations under the Warrants. In addition, any such prices may differ from values determined by pricing models used by MSI plc, as a result of dealer discounts, mark-ups or other transaction costs.

In purchasing any Warrants, purchasers will be deemed to represent and undertake to the Issuer, the Dealer and each of their affiliates that (i) such purchaser understands the risks and potential consequences associated with the purchase of the Warrants, (ii) that such purchaser has consulted with its own legal, regulatory, investment, accounting, tax and other advisers to extent it believes is appropriate to assist it in understanding and evaluating the risks involved in, and the consequences of, purchasing the Warrants and (iii) in accordance with the terms set out in Annex 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. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

US Treasury Circular 230 Notice - Morgan Stanley does not render advice on tax and tax accounting matters to clients. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

General

- | | |
|---|--|
| 1. Issuer: | Morgan Stanley BV |
| 2. Guarantor: | Morgan Stanley |
| 3. Aggregate Number of Warrants in the Series: | Up to 5,000 Warrants |
| 4. Aggregate Number of Warrants in the Tranche: | Up to 5,000 Warrants |
| 5. Issue Date: | 10 November 2010 |
| 6. Issue Price: | SEK 19,000 per Warrant + an additional surcharge at the discretion of the Distributor of up to SEK 2,000 |
| 7. Warrant Style: (<i>Condition 4</i>) | European Style Warrants |
| 8. Type: | The Warrants are Share Basket Warrants |
| (i) Underlying: | A basket, consisting of 2 equally weighted Funds: |

Underlying (Fund) (i=1,2)	Exchange	Fund Manager
East Capital Russian Fund (bloomberg: EACRUSS SS Equity), i=1 ISIN: SE0000777708	Stockholm Stock Exchange	East Capital Asset Management AB
AGI China East Asia Fund (bloomberg: AGEAGRF LX Equity), i=2 ISIN: LU0212839673	Luxembourg Stock Exchange	SEB Fund Services SA

- (ii) Relevant Issuer: Not Applicable
- (iii) Exchange: As above
- (iv) Related Exchange: Not Applicable
- (v) Exchange Business Day: As set out in the Conditions
- (vi) Strike Date: 20 October 2010
- (vii) Additional Disruption Events: Change in Law and Hedging Disruption shall apply

9. Minimum Transfer Amount: One Warrant
(Condition 2.3)

Exercise

10. Expiration Date: 20 October 2012
11. Latest Exercise Time: The closing time of the Exchange
12. Minimum Exercise Number: Not Applicable
(Condition 5.10)
13. Permitted Multiple: Not Applicable
(Condition 5.10)
14. Deemed Exercise: Applicable
(Condition 5.6)

Issuer Call Option

15. Call Option: Not Applicable
(Condition 6)

Settlement

16. Settlement Basis: The Warrants are Cash Settlement Warrants.
(Condition 4)
17. Ratio: Not Applicable
18. Strike Price Payment Date: Not Applicable
19. Strike Price: Not Applicable

20. Settlement Price: Not Applicable
21. Cash-Settlement Amount: In respect of each Warrant an amount determined by the Determination Agent on the Determination Date equal to:

Par x Participation x Max (0%, Strategy Performance), subject to a minimum redemption of 0%

Where:

“**Par**” means SEK 100,000;

“**Strategy Performance**” means an amount calculated by the Determination Agent in accordance with the following formula: $\text{Strategy}_{\text{Final}} - \text{Strategy}_{\text{Initial}}$;

“**Strategy_{Initial}**” means 100%;

“**Strategy_{Final}**” means an amount in percentage equal to the arithmetic average of the Strategy Index Value on the Averaging Dates;

“**Participation**” means 100% with a minimum of 75%;

“**Strategy Index Value (Strategy_t) (S_t)**” means for any Observation Date t, an amount in percentage determined by the Determination Agent in accordance with the following formula: $S_t = S_{t-1} * (1 + \text{Actual Exposure}_{t-1} * \text{Fund Basket Return}_t)$;

“**t = 0**” means the Strike Date;

“**t = 1**” means the immediately preceding Observation Date;

“**Strike Date**” means 20 October 2010;

“**Observation Date_t**” means each Fund Business Day up to and including the Determination Date, provided that (a) If any Observation Date (which is not an Averaging Date or a Valuation Date) is a Disrupted Day in respect of the Fund, the Determination Agent shall disregard such Observation Date for the purposes of this Note; and (b) If any Observation Date, which is an Averaging Date or Valuation Date is a Disrupted Day in respect of the Underlying Share, the Date Disruption provisions above shall apply;

“**Fund Business Day**” means any day, in respect of which (i) an investor in shares of the Fund (“**Fund Shares**”) could, at its election, subscribe for or redeem Fund Shares (as applicable) and (ii) the administrator of the Fund calculates and publishes the Net Asset Value of the Fund;

“**Fund Basket Return**” means for any Observation Date_t, an amount in percentage determined by the Determination Agent in accordance with the following formula:

$$\text{Fund Basket Return}_t = \sum_{i=1}^2 \left(w_i \times \frac{\text{NAV}_{i,t}}{\text{NAV}_{i,t-1}} - 1 \right);$$

“**Net Asset Value (NAV_{i,t})**” means the net asset value of the relevant Fund as published by or on behalf of the Fund (or its investment manager or administrator) on that Observation

Date_t; NAV_{i,0} will be determined on the Strike Date;

“**Actual Exposure (AE)**” means the actual exposure as measured daily and compared with the Floor and Cap to determine if a rebalancing occurs; for any Observation Date_t, AE_t is an amount in percentage determined by the Determination Agent based on the Actual Volatility (AV_t) as follows: (i) if Cap is smaller than AV_{t-1} or AV_{t-1} is smaller than the Floor, then AE_t = TE_{t-1}, (ii) otherwise AE_t = AE_{t-1};

“**Floor**” means a percentage indicatively set at 23% with a minimum of 20%; the final percentage will be determined by the end of the Offer Period;

“**Cap**” means a percentage indicatively set at 27% with a minimum of 24%; the final percentage will be determined by the end of the Offer Period;

“**Target Exposure (TE)**” means a value determined by the Determination Agent as a percentage in accordance with the following formula:

$$TE_t = \text{Min} \left(\text{Maximum Leverage}, \frac{\text{Target Volatility}}{\text{Realised Volatility}_t} \right);$$

“**Realised Volatility**” means a value calculated on the annualised exponentially weighted standard deviation of the Fund:

$$\text{Realised Volatility}_t = \sqrt{\text{AF}} \times \sqrt{\frac{\sum_{j=1}^{\text{VOP}} \left(\left(1 - \frac{3}{\text{VOP}} \right)^j \times \left(\sum_{i=1}^2 \left(w_i \times \frac{\text{NAV}_{t,j+1} - \text{NAV}_{t,j}}{\text{NAV}_{t,j}} \right)^2 \right) \right)}{\sum_{j=1}^{\text{VOP}} \left(1 - \frac{3}{\text{VOP}} \right)^j}}$$

“**Annualisation Factor (AF)**” means 254;

“**Volatility Observation Period (VOP)**” means 40 Observation Dates;

“**Target Volatility**” means a percentage indicatively set at 25%, with a minimum of 22%; the final percentage will be determined by the end of the Offer Period;

“**Actual Volatility (AV)**” means Actual Volatility_t = Realised Volatility_t * AE_{t-1};

“**Maximum Leverage**” means a percentage indicatively set at 130% with a minimum of 100%; the final percentage will be determined by the end of the Offer Period; and

“**Initial Target Exposure**” means 100%.

- | | |
|-------------------------|---|
| 22. Determination Date: | 20 October 2012 |
| 23. Valuation Time: | As per the Conditions |
| 24. Valuation Date: | Determination Date |
| 25. Averaging Dates: | The 20th calendar day from, and including, 20 April 2012 to, and including, the Expiration Date. For avoidance of doubt there will be a total of 7 observations (Modified |

Postponement applies)

26. Settlement Currency: Swedish krona (“SEK”)

27. Cash-Settlement Payment Date: 10 November 2012

Additional details

28. Determination Agent: As defined in the Conditions.

29. Clearing Systems: Euroclear Sweden AB, Regeringsgatan 65, Box 7822, SE-103 97 Stockholm

30. Non-exempt offer: An offer of the Certificates may be made by the Distribution Agents other than pursuant to Article 3(2) of the Prospective Directive in Sweden (Public Offer Jurisdictions) during the period from 16 September 2010 until 14 October 2010 (Offer Period).

31. US Selling Restrictions: Reg. S Compliance Category;

32. Other final terms: “**Business Days**” means London and Stockholm;

“**Method of Adjustment**” means Determination Agent Determination;

“**Extraordinary Events**” means the provisions of Section 12.1 – 12.8 of the Equity Derivatives Definitions shall not apply;

“**Termination Events**” means (a) If, on any Observation Date, a Termination Event occurs in relation to the Fund (as determined by MSI plc in its sole discretion) this shall constitute an Additional Termination Event with respect to this Transaction only with the Counterparty as the sole Affected Party. For purposes of this provision only, in providing quotations, each Reference Market-maker shall use the Reference Forward Price to be provided by MSI plc at the time such quotations are requested. The “Reference Forward Price” shall be a price per Share determined by MSI plc based upon (i) the current market price per Share at the time such quotations are requested, (ii) then prevailing interest rates, (iii) a rate reflecting the cost or benefit of borrowing or lending the Shares and (iv) a dividend rate with respect to the Shares. The factors used by MSI plc to determine the Reference Forward Price shall not otherwise be considered by the Reference Market-makers in providing their quotations (b) “Termination Event” means any of the following with respect to the Fund:

- (1) it ceases to exist, or
- (2) the units in the Fund are reclassified or the index that the Fund tracks changes or it is acquired by or aggregated to another fund, whose mandate, risk-profile and/or benchmarks is deemed by the Determination Agent to be different from the mandate, risk-profile and/or benchmark stated at inception(or any proposal for the foregoing occurs); or

- (3) there is a material change in its mandate, risk profile, prospectus, statement of additional information, Articles of Incorporation, investment management agreement or annual and semi-annual report, or there is a material change in any other rule, law, regulation, similar guideline, constitutional document, report or other document governing the investment by the Fund of its assets; or
- (4) any proposal to wind up the Fund or any substantive litigation by the investors in the Fund; or
- (5) (i) any cancellation, suspension or revocation of the registration or approval of the Fund Interest or the Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the Fund or the Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or any investors therein, or (iii) the Fund, the Fund Adviser or any of the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for the Fund (the “**Fund Administrator**”) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of the Fund, the Fund Adviser or the Fund Administrator; or
- (6) on or after the Strike Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by an court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), a party determines in good faith that (A) it has become illegal to hold, acquire or dispose of Fund Interest, or (B) it will incur a materially increased cost in performing its obligations under this Transaction (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); or
- (7) there is the occurrence or existence on any Observation Date of any event, circumstance or cause beyond the control of MSI plc that has had or would be

expected to have (as determined by MSI plc in its sole discretion) materially increase the cost of hedging its position with respect to the Fund, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of MSI plc shall not be deemed an increased cost of hedging; or

(8) there is the occurrence or existence on any Observation Date of any event, circumstance or cause beyond the control of MSI plc that has had or would be expected to have (as determined by MSI plc in its sole discretion) a material adverse effect on its ability to hedge its positions with respect to the Fund or

(9) all the Fund Interest or all or substantially all of the assets of the Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

“Fund Interest” means an interest issued to or held by any investor in the Fund;

“Business Day Convention” means Modified Following; and

Condition 7.5 (b) shall not apply.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdictions and admission to trading on the Nasdaq OMX Exchange of the Warrants 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 will be made for the Warrants to be admitted to listing and trading on the OMX Nasdaq Stock Exchange.

2. RATINGS

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

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

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Warrants 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 Warrants will be used by the Issuer for general corporate purposes, in connection with hedging the Issuer's obligations under the Certificates, or both

(ii) Estimated net proceeds: 1000 Warrants

5. PERFORMANCE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Past and future performance including the volatility of the Funds can be obtained from Bloomberg: EACRUSS SS Equity (www.eastcapital.com) and AGEAGRF LX Equity (www.agifonder.se).

6. OPERATIONAL INFORMATION

ISIN code: NL0009590298

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 Sweden
Corporate Registration Number: 556112-8074
Box 7822
103 97 Stockholm
Sweden

Delivery: Free of payment

Names and addresses of initial Paying Agent(s) (if any): As per the Conditions

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

7. TERMS AND CONDITIONS OF THE OFFER

Offer Price: The Issue Price (including a fee of up to SEK 1,000 p.a.) and an additional subscription fee of SEK 2,000 at the discretion of the Distributor

Conditions to which the offer is subject:	The Issuer has the right to terminate the subscription period and not pursue with the issuance of the Warrants at any time during the offer period and prior to the Issue Date, being 1pm CET on 16 September 2010 to 1 pm CET on 14 October 2010; Offers of the Warrants are conditional upon their issue.
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 at any time during the offer period.
Details of the minimum and/or maximum amount of application:	The minimum subscription amount is one Warrant
Details of the method and time limited for paying up and delivering the Warrants:	The Warrants will be issued on the Issue Date against payment received by the Issuer from the Distributor. Subscription payment to the Distributor shall be made according to the terms agreed between the Distributor and the investors
Manner in and date on which results of the offer are to be made public:	The results of the offer will be communicated to the applicants by the Distributor
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 Warrants 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

ANNEX 1

In purchasing any of the securities described in the Final Terms (the “Security”), and unless the purchaser has entered into a Distribution Agreement with the Dealer, in which case the provisions of such Distribution Agreement shall apply, purchasers will be deemed to represent and undertake to, and agree with, the Issuer, the Dealer and each of their affiliates in the following terms:

- 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 or any of its 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 Certificates as an extension of credit to Morgan Stanley pursuant to a loan agreement entered into in the ordinary course of your trade or business.