

Final Terms dated 9 June 2011

Morgan Stanley BV

As Issuer

Morgan Stanley

As Guarantor

Issue of up to SEK 50,000,000 Notes linked to the J.P. Morgan Momentum (SEK) Index due 2016

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, Dealer or any Distributor 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.

None of the Issuer, the Dealer and the Distributor 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 REGULATIONS 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 (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 Notes 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

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 Index. Given the highly specialised nature of these Notes, the Issuer, the Guarantor and the Dealer consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying Index (as defined herein), 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:

Adjustment and Discontinuation Risk: The sponsor of the Underlying Index can add, delete or substitute constituents constituting the Underlying Index or make other methodological changes that could change the value of the Underlying Index without regard to the interests of holders of the Notes. Any of these decisions/determinations may adversely affect the value of the Notes and may result in the investor receiving a return that is materially different from that he/she would have received if the event had not occurred.

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 Index, interest rates, the dividend rate on the Underlying Index, time remaining to maturity and the creditworthiness of the Issuer and the Guarantor. The secondary market price may be lower than the market value of the issued Notes as at the Issue Date to take into account amounts paid to distributors and other intermediaries relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then intrinsic market value of the Note and which may also be less than the amount the holder would have received had the holder held the Note 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 constituents that comprise the Underlying Index, in option contracts on the Underlying Index or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying Index as part of their general businesses. Any of these activities could potentially affect the value of the Underlying Index 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 Index 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.

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 Sponsor Risk: The sponsor of the Underlying Index 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 sponsors of the Underlying Index, including any rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

Morgan Stanley is not qualified to give legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of the proposals contained herein.

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.

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| 1. | (i) | Issuer: | Morgan Stanley BV |
| | (ii) | Guarantor: | Morgan Stanley |
| 2. | (i) | Series Number: | 4724 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Swedish krona ("SEK") |
| 4. | | Aggregate Nominal Amount of the Notes: | |
| | (i) | Series: | SEK 50,000,000, indicatively, which will be confirmed by the end of the Subscription Period |
| | (ii) | Tranche: | SEK 50,000,000 indicatively, which will be confirmed by the end of the Subscription Period |
| 5. | | Issue Price | 110 per cent. of par per Note |
| 6. | (i) | Specified Denominations (Par): | SEK 10,000 |
| | (ii) | Calculation Amount: | Par |
| 7. | (i) | Issue Date: | 9 June 2011 |
| | (ii) | Strike Date: | 26 May 2011 |
| | (iii) | Interest Commencement Date: | Not Applicable |
| 8. | | Maturity Date: | 9 June 2016 |
| 9. | | Interest Basis: | Not Applicable |
| 10. | | Redemption/Payment Basis: | Equity-Linked Redemption |
| 11. | | Change of Interest or Redemption/Payment Basis: | Not Applicable |

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| 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 set out in the Conditions |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Not Applicable |
| | (Condition 5) | |
| 16. | Floating Rate Note Provisions | Not Applicable |
| | (Condition 6) | |
| 17. | Zero Coupon Note Provisions | Not Applicable |
| | (Condition 7) | |
| 18. | Dual Currency-Linked Note Interest Provisions | Not Applicable |
| | (Condition 8) | |
| 19. | Equity Linked Note Interest Provisions | Not Applicable |
| 20. | Commodity Linked Note Interest Provisions | Not Applicable |
| 21. | Currency Linked Interest Note Provisions | Not Applicable |
| 22. | Inflation-Linked Note Interest Provisions | Not Applicable |
| 23. | Credit-Linked Interest Note Provisions | Not Applicable |
| 24. | Property-Linked Interest Note Provisions | Not Applicable |

REDEMPTION

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| 25. | Call Option | Not Applicable |
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	(Condition 15.7)	
26.	Put Option	Not Applicable
	(Condition 15.9)	
27.	Final Redemption Amount of each Note	Linked to the Underlying Index as specified below in item 29
	(Condition 16.1)	
28.	Dual Currency Redemption Provisions	Not Applicable
	(Condition 8)	
29.	Equity-Linked Redemption Provisions	Applicable
	(Condition 10)	
(B)	Index/Index Basket Notes:	
(i)	Types of Notes:	Single Index Notes JP Morgan Momentum (SEK) Index (Bloomberg code: SEJPML3S Index) (" Underlying Index "). Index Sponsor: J.P. Morgan Chase & Co
(ii)	Exchange:	Such exchanges quotation system which the Determination Agent from time to time determines to be the most relevant exchange or quotation system.
(iii)	Related Exchange:	All Exchanges
(iv)	Averaging Dates:	Monthly on the 26 th from and including 26 th April 2015 to and including the Determination Date. In total 13 Observations, subject to Modified Postponement adjustment if such date is not a Scheduled Trading Day or is a Disrupted Day, subject to Modified Postponement adjustment.
(v)	Determination Date:	26 May 2016
(vi)	Determination Time:	Official closing time of the Exchange
(vii)	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.
(viii)	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 as follows: Par + [Par x Participation x Max(0%, Index

Performance)]

Where:

“**Participation**” means 165% indicatively, as determined by the Determination Agent; subject to a minimum Participation of 140%;

“**Index Performance**” means an amount calculated as determined by the Determination Agent ; as follows:

$$\left(\frac{\text{Underlying}_{\text{Final}} - \text{Underlying}_{\text{Initial}}}{\text{Underlying}_{\text{Initial}}} \right)$$

“**Underlying_{Final}**” means the arithmetic average closing level of the Underlying Index on the Averaging Dates; and

“**Underlying_{Initial}**” means the closing level of the Underlying Index on the Strike Date.

- (ix) Provisions for determining Final Redemption Amount where calculation by reference to Index is impossible or impracticable or otherwise disrupted: Determination Agent determination
- (x) Weighting for each Index: Not Applicable
- (xi) Potential Adjustment Events: Not Applicable
- (xii) Additional Disruption Events: Change in Law and Hedging Disruption shall apply
- (xiii) Other special terms and conditions: Business Day means London and Stockholm
Business Day Convention: Modified Following

- 30. **Commodity-Linked Provisions** (Condition 11) **Redemption** Not Applicable

- 31. **Currency-Linked Provisions** (Condition 12) **Redemption** Not Applicable

- 32. **Inflation-Linked Provisions** (Condition 13) **Redemption** Not Applicable

- 33. **Credit Linked Redemption Provisions** (Condition 19) Not Applicable

- 34. **Property-Linked Provisions** (Condition 14) **Redemption** Not Applicable

35. **Early Redemption Amount upon early redemption**
- Early Redemption Amount(s) payable upon redemption following an event of default As defined in Condition 2
- (Condition 21)
- Amount payable upon redemption following the events described in Condition 10 As provided in Condition 10
- (Condition 10)
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons An amount which the Determination Agent, in its sole and absolute discretion, determines is equal to the fair value of a 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 Notes), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or any Affiliate of, or the loss realized by the Issuer and/or any Affiliate on, unwinding any related underlying hedging arrangements, the amount of such cost or loss being as determined by the Determination Agent in its sole and absolute discretion.
- (Conditions 15.2, 15.3, 15.4 and 15.5)
36. **Governing Law:** English law

GENERAL PROVISIONS APPLICABLE TO THE NOTES

37. **Form of Notes:** Swedish Notes
- (Condition 3)
38. **Additional Business Centre(s) or other special provisions relating to Payment Dates:** Not Applicable
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, renominatisation and reconventioning provisions:** Not Applicable
43. **Restrictions on free transferability of the Notes:** None

44. Other final terms: Not Applicable

DISTRIBUTION

45. If syndicated, names of Managers: Non-syndicated

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 Compliant

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 Sweden (Public Offer Jurisdiction) during the period from 19 April 2011 to 20 May 2011 (Subscription Period), the Issuer has the right to adjustment the Subscription Period.

49. Total commission and concession: Not Applicable

50. Additional selling restrictions: Not Applicable

PURPOSE OF FINAL TERMS

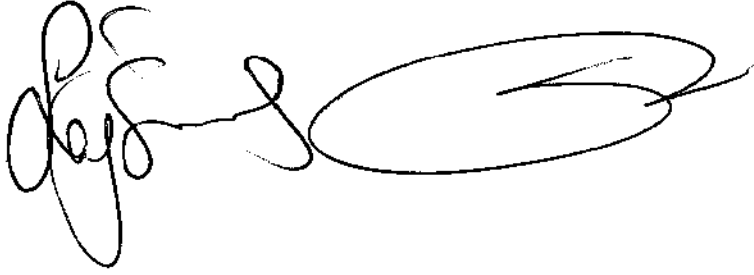
These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdictions and admission to trading on the Nasdaq OMX Stockholm Exchange Regulated Market of the Notes described herein pursuant to the Program for the Issuance of Notes, Series A and B of Morgan Stanley.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: **TMF Management B.V. -- Managing Director**
Duly authorised

A handwritten signature in black ink, consisting of a series of loops and a large oval shape at the end, positioned to the left of the text 'By: TMF Management B.V. -- Managing Director'.

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to Trading: Application will be made to the Nasdaq OMX Stock Exchange on or about the Issue Date, there is no guarantee that the Notes will be admitted to trading.

2. RATINGS

Ratings: The Notes 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 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: SEK 50,000,000, subject to the final size of subscription proceeds:

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 index methodology and the volatility of the Underlying can be obtained from Bloomberg: SEJPML3S Index, www.penser.se and the following index links:

<https://indexes.nasdaqomx.com/breakdown.aspx?IndexSymbol=OMXS30>

<http://uk.ishares.com/en/rc/products/IWRD>

<http://uk.ishares.com/en/pc/products/IEEM>

<http://files.shareholder.com/downloads/ONE/0x0xS950103-10-682/19617/filing.pdf>.

6. OPERATIONAL INFORMATION

ISIN Code: SE0003943471

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

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): Skandinaviska Enskilda Banken AB
Kungsträdgårdsgatan 8
SE-106 40 Stockholm
Sweden

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 + a subscription surcharge at the discretion of the Distributor of up to 2% of Par

Conditions to which the offer is subject: Offers of the Securities 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 Period at any time and not proceed with the issuance.

Details of the minimum and/or maximum amount of application: The minimum subscription amount is one Note.

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 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 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), Distributor:

to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

Erik Penser Bankaktiebolag of Biblioteksgatan (the "Distributor" at 9 P.O. Box 7405, SE-103 91 Stockholm, Sweden will be the sole placer of the Notes to the Dealer.

ANNEX 1

STATEMENT REGARDING THE UNDERLYING INDEX

The Notes are not sponsored, endorsed, sold or promoted by JPMorgan. JPMorgan makes no representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the Underlying Index to track general bond market performance. JPMorgan's only relationship to the Licensee is the licensing of the Underlying Index which is determined, composed and calculated by JPMorgan without regard to the Licensee or the Notes. JPMorgan has no obligation to take the needs of the Licensee or the owners of the Notes into consideration in determining, composing or calculating the Underlying Index. JPMorgan is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. JPMorgan has no obligation or liability in connection with the administration, marketing or trading of the Notes."

THE UNDERLYING INDEX IS DERIVED FROM SOURCES THAT ARE CONSIDERED RELIABLE, BUT JPMORGAN DOES NOT GUARANTEE THE VERACITY, CURRENCY, COMPLETENESS OR ACCURACY OF THE UNDERLYING INDEX OR OTHER INFORMATION FURNISHED IN CONNECTION WITH THE UNDERLYING INDEX. NO REPRESENTATION, WARRANTY OR CONDITION, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO CONDITION, SATISFACTORY QUALITY, PERFORMANCE, OR FITNESS FOR PURPOSE ARE GIVEN OR DUTY OR LIABILITY ASSUMED BY JPMORGAN IN RESPECT OF THE UNDERLYING INDEX OR ANY DATA INCLUDED THEREIN, OMISSIONS THEREFROM OR THE USE OF THE UNDERLYING INDEX IN CONNECTION WITH THE PRODUCT, AND ALL THOSE REPRESENTATIONS, WARRANTIES AND CONDITIONS ARE EXCLUDED SAVE TO THE EXTENT THAT SUCH EXCLUSION IS PROHIBITED BY LAW.

To the fullest extent permitted by law, JPMorgan shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities, including without limitation liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages, whether caused by the negligence of that person or otherwise, arising in connection with the use of the Underlying Index or in connection with the Notes.

JPMorgan is the marketing name for J.P. Morgan Chase & Co. and its subsidiaries and affiliates worldwide.

ANNEX 2

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) 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);
- h) 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;
- i) 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.
- j) 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.