
USD | 2 years | Fixed Coupon Notes

MORGAN STANLEY B.V.

USD 100,000 WORST OF SHARES LINKED NOTES DUE 13 NOVEMBER 2025 (THE "NOTES")

For Non U.S. Persons only

FINAL TERMSHEET

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THE NOTES DESCRIBED HEREIN, AND ANY GUARANTEE IN RESPECT THEREOF, AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE SUBJECT TO U.S. TAX REQUIREMENTS. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. TRADING IN THE NOTES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED.

THE NOTES DESCRIBED HEREIN, ANY INTEREST THEREIN, ANY GUARANTEE IN RESPECT THEREOF AND THE SECURITIES TO BE DELIVERED ON REDEMPTION OF THE NOTES (IF ANY) MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED, DELIVERED OR OTHERWISE TRANSFERRED OR REDEEMED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

HEDGING TRANSACTIONS INVOLVING ANY "EQUITY SECURITIES" OF "DOMESTIC ISSUERS" (AS SUCH TERMS ARE DEFINED IN THE SECURITIES ACT AND REGULATIONS THEREUNDER) MAY ONLY BE CONDUCTED IN ACCORDANCE WITH THE SECURITIES ACT. SEE "*SUBSCRIPTION AND SALE*" AND "*TRANSFER RESTRICTIONS*" IN THE ACCOMPANYING OFFERING CIRCULAR DATED 26 JUNE 2023. IN PURCHASING THE NOTES, A PURCHASER WILL BE DEEMED TO REPRESENT AND WARRANT THAT IT IS NOT (I) LOCATED IN THE UNITED STATES, (II) A U.S. PERSON, (III) SUBJECT TO U.S. FEDERAL INCOME TAX ON A NET BASIS (A "U.S. TAXPAYER") AND (IV) PURCHASING ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON LOCATED WITHIN THE UNITED STATES, U.S. PERSON OR U.S. TAXPAYER.

THE NOTES ARE NOT RATED.

THE NOTES ARE SENIOR UNSECURED OBLIGATIONS OF MORGAN STANLEY B.V., AND ALL PAYMENTS ON THE NOTES, INCLUDING THE REPAYMENT OF PRINCIPAL, ARE SUBJECT TO THE CREDIT RISK OF MORGAN STANLEY B.V. AND MORGAN STANLEY. THE NOTES ARE NOT BANK DEPOSITS AND ARE NOT INSURED BY THE U.S. FEDERAL DEPOSIT INSURANCE

CORPORATION, THE UK'S FINANCIAL SERVICES COMPENSATION SCHEME OR ANY OTHER GOVERNMENTAL AGENCY, IN PARTICULAR, THE DEPOSIT PROTECTION SCHEME ESTABLISHED UNDER THE DEPOSIT PROTECTION SCHEME ORDINANCE (CAP.581) OF HONG KONG AND THE DEPOSIT INSURANCE AND POLICY OWNERS' PROTECTION SCHEMES ACT 2011 OF SINGAPORE, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

Notification under Section 309B(1)(c) of The Securities and Futures Act 2001 of Singapore (as amended from time to time) – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the MAS) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The indicative terms set out herein represent only a summary of the terms and conditions of the Notes, which will be issued under the structured products programme as described in the Offering Circular (as defined below) for the Regulation S / 144A Programme for the Issuance of Notes, Series A and B, Warrants and Certificates (the "**Programme**") by Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V., Morgan Stanley Finance LLC, Morgan Stanley Finance II Ltd. and Morgan Stanley Europe SE. The full terms and conditions, which will be the only legally binding terms, will be contained in the Pricing Supplement for the Notes to be dated on or around the Issue Date and the Offering Circular for the Programme dated 26 June 2023, as supplemented and/or amended from time to time (the "Offering Circular"). Certain capitalized terms used but not defined herein shall have the meaning given to them in the Pricing Supplement or the Offering Circular, as the case may be. This termsheet must be read in conjunction with such Pricing Supplement (when available) and the Offering Circular.

A copy of the Offering Circular may also be obtained from:
<https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=9c9fd786-3410-4a63-9950-9fd8ab3651c7>

References in this term sheet to "Morgan Stanley" are to Morgan Stanley, its subsidiaries and affiliates worldwide.

The principal of this product is at risk.

GENERAL

INVESTMENT OBJECTIVE

The Notes are designed for investors who:

- think the price of the Underlying Shares will not fall below their Strike Price during the term of the Notes;
- are seeking a short to mid-term yield enhancement solution; and
- are prepared to take the risk that, on maturity, they may receive a number of shares rather than a cash amount, where the value of those shares is less than their initial investment.

PRODUCT DESCRIPTION

THE NOTES ARE CAPITAL AT RISK INVESTMENTS. AN INVESTOR MAY LOSE SOME OR ALL OF ITS INITIAL INVESTMENT AND NOT ACHIEVE THE EXPECTED RETURN ON ITS INVESTMENT IN THE NOTES. PLEASE NOTE THE INVESTOR IS SUBJECT TO BOTH MARKET RISK AND THE ISSUER'S CREDIT RISK.

This is a brief summary of the economic terms of the Notes. Further details are available below and in the final issue documents for the Notes.

The value of the Notes is determined by a number of factors, including the price performance of a basket of securities (the "Underlying Shares"). The amount you will receive when the Notes mature depends on the price of the Underlying Shares at that time.

Fixed Coupon

Unless and until the Notes are early redeemed, the issuer will pay a fixed coupon to Noteholders on each "Settlement Date", regardless of the performance of the Underlying Shares.

Value on maturity

On the Final Valuation Date, if the Notes have not been early redeemed, then the amount you will receive at that time depends on the performance of the Worst Performing Share at that time. If the price of the Worst Performing Share at that time as compared to its "Strike Price", is:

1. **the same or higher**, you will receive an amount in the Settlement Currency equal to the face value of the Notes; or
2. **lower**, you will receive a number of the Worst Performing Share, equal to the face value of the Notes (which will be converted at that time into the currency in which the Worst Performing Share is denominated) divided by the Strike Price of those shares. You will receive an amount in the Settlement Currency in respect of any fractional share.

As the Strike Price will be higher than the market price of the share, the aggregate value of the shares you receive will be worth less than the face value of the Notes.

The worst case scenario is that the value of any Underlying Share falls to zero. In that situation, you will lose the entire amount you invested in the Notes.

NOTES ECONOMICS

Issuer	Morgan Stanley B.V. (not rated)
Guarantor	Morgan Stanley (Ratings: A- (S&P's), A1 (Moody's), A+ (Fitch))
Dealer	Morgan Stanley & Co. International PLC (" MSI PLC ")
Calculation Agent	MSI PLC
Determination Agent	MSI PLC
Trade Date	25 October 2023
Strike Date	25 October 2023
Issue Date	8 November 2023
Final Valuation Date	10 November 2025
Maturity Date	13 November 2025, subject to adjustment in accordance with the Business Day Convention (i) in the event such date is not a Business Day or (ii) such that the maturity shall always be at least two (2) Business Days following the Final Valuation Date.
Aggregate Notional Amount of the Notes	United States Dollar 100,000 (" USD ")
Specified Denomination	USD 50,000 per Note (" Par ")
Settlement Currency	USD
Issue Price per Note	100%
Initial Price	In respect of any Underlying Share, the Initial Price as set out in the table below.
Strike Price	In respect of any Underlying Share, the Strike Price as set out in the table below, equal to 80% of the Initial Price of such Underlying Share.
Closing Price	In respect of any Underlying Share, on any Scheduled Trading Day, the official closing price of such Underlying Share quoted on the relevant Exchange on that day, as determined by the Calculation Agent.
Observation Period	Each period from and including a Start Date to and including the corresponding End Date, as set out in the Schedule below.
Settlement Date	Each Settlement Date as set out in the Schedule below, subject to adjustment (i) in accordance with the Business Day Convention in the event such date is not a Business Day and (ii) such that a Settlement Date shall always be at least two (2) Business Days following the corresponding Valuation Date.

BASKET OF SHARES (each an "Underlying Share" and together the "Underlying Shares")

k	UNDERLYING SHARE	BLOOMBERG CODE	INITIAL PRICE	STRIKE PRICE	EXCHANGE
1	AIR LIQUIDE	AI FP Equity	EUR 153.7400	EUR 122.9920	Euronext - Euronext Paris
2	AIR PRODS & CHEM	APD UN Equity	USD 276.9600	USD 221.5680	New York Stock Exchange, Inc.
3	NEW LINDE PLC	LIN UN Equity	USD 367.8300	USD 294.2640	New York Stock Exchange, Inc.

SCHEDULE

OBSERVATION PERIOD	START DATE	END DATE	VALUATION DATE	SETTLEMENT DATE
1	8 November 2023	8 December 2023	8 December 2023	12 December 2023
2	11 December 2023	8 January 2024	8 January 2024	10 January 2024
3	9 January 2024	8 February 2024	8 February 2024	12 February 2024
4	9 February 2024	8 March 2024	8 March 2024	12 March 2024
5	11 March 2024	8 April 2024	8 April 2024	10 April 2024
6	9 April 2024	8 May 2024	8 May 2024	10 May 2024
7	9 May 2024	10 June 2024	10 June 2024	12 June 2024
8	11 June 2024	8 July 2024	8 July 2024	10 July 2024
9	9 July 2024	8 August 2024	8 August 2024	12 August 2024
10	9 August 2024	9 September 2024	9 September 2024	11 September 2024
11	10 September 2024	8 October 2024	8 October 2024	10 October 2024
12	9 October 2024	8 November 2024	8 November 2024	13 November 2024
13	11 November 2024	9 December 2024	9 December 2024	11 December 2024
14	10 December 2024	8 January 2025	8 January 2025	10 January 2025
15	9 January 2025	10 February 2025	10 February 2025	12 February 2025
16	11 February 2025	10 March 2025	10 March 2025	12 March 2025
17	11 March 2025	8 April 2025	8 April 2025	10 April 2025
18	9 April 2025	8 May 2025	8 May 2025	12 May 2025
19	9 May 2025	9 June 2025	9 June 2025	11 June 2025
20	10 June 2025	8 July 2025	8 July 2025	10 July 2025
21	9 July 2025	8 August 2025	8 August 2025	12 August 2025
22	11 August 2025	8 September 2025	8 September 2025	10 September 2025
23	9 September 2025	8 October 2025	8 October 2025	10 October 2025
24	9 October 2025	10 November 2025	10 November 2025	13 November 2025

COUPON

Coupon Amount

In respect of each Observation Period, the Issuer will pay each Noteholder a Coupon Amount per Note in USD on the relevant Settlement Date, determined in accordance with the following formula:

$\text{Coupon} \times \text{Par}$

Where:

"**Coupon**" means 0.7917% per Observation Period.

FINAL REDEMPTION

Final Redemption on the Maturity Date ("Final Redemption Amount")

On the Maturity Date, the Noteholder may receive a cash payment or a physical delivery in respect of each Note.

Specifically:

- (i) if the Closing Price of the Worst Performing Share on the Final Valuation Date is equal to or greater than its Strike Price, then the Noteholder will receive, in respect of each Note, a cash amount in the Settlement Currency determined in accordance with the following formula:

$100\% \times \text{Par}$

OR

- (ii) if the Closing Price of the Worst Performing Share on the Final Valuation Date is less than its Strike Price, then the Noteholder will be obligated to take delivery of the Physical Delivery Amount and receive the Fractional Cash Amount (if any).

Where:

"**Adjusted Number of Worst Performing Share**" means the Number of Worst Performing Share rounded down to the nearest whole number.

"**FX Rate**" means, in respect of an Underlying Share, the exchange rate at which 1 unit of the Settlement Currency is converted into an amount in the currency in which the Underlying Shares are denominated (the "**Underlying Currency**"), by reference to an applicable Bloomberg page "BFIX" of the relevant Settlement Currency, at the closing time of the Exchange on the Final Valuation Date, as determined by the Calculation Agent. If it is impracticable for the Calculation Agent to refer to the Bloomberg page "BFIX" for the Settlement Currency, the Calculation Agent will determine the FX Rate in good faith and its sole discretion.

For the avoidance of doubt, if the Settlement Currency is the same as the Underlying Currency, the FX Rate will be 1.

"**Fractional Cash Amount**" means, in respect of each Note, an amount in the Settlement Currency (rounded to two decimal places, with 0.005 rounded upwards), determined by the Calculation Agent as follows:

$(\text{Number of Worst Performing Share} - \text{Adjusted Number of Worst Performing Share}) \times \text{the Closing Price of the Worst Performing Share on the Final Valuation Date} / \text{FX Rate}$

"**Number of Worst Performing Share**" means a number of Worst Performing Share equal to (i) Par, multiplied by (ii) the FX Rate, divided by (iii) the Strike Price of the Worst Performing Share (rounded to four decimal places, with 0.00005 rounded upwards).

"**Physical Delivery Amount**" means, in respect of each Note, a number of Worst Performing Share equal to the Adjusted Number of Worst Performing Share.

Worst Performing Share

In respect of any Scheduled Trading Day, the Underlying Share with the lowest Underlying Performance of all the Underlying Shares on such date, as determined by the Determination Agent.

Where:

"**Underlying Performance**" means in respect of any Underlying Share and any Scheduled Trading Day, an amount equal to the Closing Price of the relevant Underlying Share on the relevant Scheduled Trading Day, divided by the Initial Price of that Underlying Share.

For the avoidance of doubt, if more than one of the Underlying Shares tie for lowest Underlying Performance, the Calculation Agent will determine the Worst Performing Share in its sole and absolute discretion.

OTHER TERMS

Business Days	New York
Business Days Convention	Modified Following Business Day Convention.
Manner of Settlement	Physical Settlement or Cash Settlement, determined as described under Final Redemption Amount above. The Noteholder shall be responsible for expenses (if any) if Physical Settlement applies. Settlement in either manner shall be subject to the local market convention in respect of the Settlement Currency and Underlying Shares.
Paying Agent	Bank of New York Mellon
ISIN/Common Code	XS2682830307/268283030
Form	Registered
Listing	None – the Notes will not be listed on any exchange or quoted on any OTC market.
Clearing and Settlement	Euroclear or Clearstream, Luxembourg
Governing Law	English Law
Market Disruption Event	Trading Disruption, Exchange Disruption and Early Closure.
Additional Disruption Event	Change in Law, Hedging Disruption, Loss of Stock Borrow and Increased Cost of Hedging.
Early Redemption Events	<p>The Notes may be early redeemed in accordance with the following Conditions in the Offering Circular at the Early Redemption Amount:</p> <ol style="list-style-type: none"> (1) Extraordinary Events and Additional Disruption Event as set out in Condition 10; (2) Events of Default as set out in Condition 29; (3) Redemption for taxation reasons as set out in Condition 24; and (4) Illegality and in respect of Notes issued by MSBV, Regulatory Event, as set out in Condition 30.
Early Redemption Amount	<p>Means:</p> <ol style="list-style-type: none"> (1) in respect of Extraordinary Events and Additional Disruption Event, “Fair Market Value Less Costs”; (2) in respect of Events of Default, “Qualified Financial Institution Determination” (see below); (3) in respect of redemption for taxation reasons as set out in Condition 24, “Fair Market Value Less Costs”; and (4) in respect of Illegality and Regulatory Event as set out in Condition 30, “Early Redemption Amount (Illegality and Regulatory Event) – Fair Market Value Less Costs”.
Extraordinary Event	Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting.
Inconvertibility Event	Inconvertibility Event Provisions B applies as set out in Condition 22
Potential Adjustment Events, Reference Date, Disrupted Day and Scheduled Trading Day	As set out in the Conditions in the Offering Circular.
Consequences of Disrupted Day	Unless otherwise specified, if any Reference Date is a Disrupted Day, then the Reference Date for each Underlying Shares not affected by the occurrence of a Disrupted Day shall be the Scheduled Reference Date, and for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Underlying Shares, unless each of the eight Scheduled Trading Days immediately following the Scheduled Reference Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Reference Date for such Underlying Shares, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Determination Agent shall determine, in its reasonable discretion, its estimate of the value

for that Underlying Shares as of the Determination Time on that eighth Scheduled Trading Day.

Event of Default

Upon the occurrence of one of the following events, the Noteholders of not less than 25 per cent. in aggregate principal amount of the Notes may, by written notice addressed to the Issuer and delivered to the Issuer and the specified office of Bank of New York Mellon (as the Fiscal Agent), declare the Notes to be immediately due and payable, whereupon the Notes shall become due and payable at their Early Redemption Amount (without further action or formality). Notice of any such declaration shall promptly be given to the Noteholders.

- failure to pay any amount of principal in respect of the Notes within thirty days of the due date for payment thereof or failure to pay any amount of interest in respect of the Notes within thirty days of the due date for payment thereof; or
- events of bankruptcy, insolvency or reorganization of the Issuer,

subject to Annulment of Acceleration and Waiver of Defaults.

Where:

"Early Redemption Amount" is an amount determined by the Determination Agent, acting in good faith and in a commercially reasonable manner, as at such date as is selected by the Determination Agent in its reasonable discretion (provided that such day is not more than 15 Business Days prior to the date fixed for redemption of the Notes) to be the amount that a Qualified Financial Institution would charge to assume all of the Issuer's payment and other obligations with respect to such Notes as if no such Event of Default had occurred or to undertake obligations that would have the effect of preserving the economic equivalent of any payment by the Issuer to the Noteholder with respect to such Notes.

For the purposes of the above, a **"Qualified Financial Institution"** means a financial institution organized under the laws of any jurisdiction in the United States of America, the European Union or Japan, which, as at the date the Determination Agent selects to determine the Early Redemption Amount, has outstanding debt obligations with a stated maturity of one year or less from the date of issue of such outstanding debt obligations and such financial institution is rated either:

- (1) A2 or higher by Standard & Poor's Ratings Services or any successor, or any other comparable rating then used by that rating agency, or
- (2) P-2 or higher by Moody's Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency,

provided that, if no Qualified Financial Institution is reasonably available, then the Determination Agent shall, in good faith and acting in a commercially reasonable manner, select a financial institution of reputable standing organised under the laws of any jurisdiction in the United States of America, the European Union or Japan as a Qualified Financial Institution.

Annulment of Acceleration and Waiver of Defaults

In some circumstances, if any or all Events of Default, other than the non-payment of the principal of the Notes of a Series that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in principal amount of such Series of Notes (voting as one class) may annul past declarations of acceleration of or waive past defaults of the Notes. However, any continuing default in payment of principal of or any premium or interest on those Notes may not be waived.

Tax Disclaimer

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.

Potential Section 871(M) Transaction

The Issuer has determined that the Notes should not be subject to withholding under Section 871(m) of the Code, and hereby instructs its agents and withholding agents that no withholding is required, unless such agent or withholding agent knows or has reason to know otherwise.

Fee Disclosure

Further information on any discount to the issue price provided by the Issuer to the distributor is available in the sales related information disclosure or other similar document which may be provided by the distributor from time to time.

Secondary Market

Under normal market conditions and subject to applicable law and regulations and Morgan Stanley internal policy, the Dealer will use reasonable efforts to quote buyback prices on any Scheduled Trading Day. Execution fee will be charged to the relevant price accordingly.

The Dealer makes no representation as to the existence of a secondary market for the Notes. The Dealer may but shall have no obligation to make a secondary market for the sale and purchase of the Notes.

Selling Restrictions

The Notes may not be offered, sold or delivered at any time, directly or indirectly, in any jurisdiction except to persons whose investment activities involve them in acquiring, holding, managing or disposing (as principal or agent) of investments of a nature similar to the Notes and who are particularly knowledgeable in investment matters. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States and in certain other countries, please refer to (i) the section entitled "Subscription and Sale" in the Offering Circular, (ii) "Additional selling restrictions" in the Pricing Supplement and (iii) the selling restrictions set out below.

United States

The Notes, any guarantee in respect thereof and the securities to be delivered on exercise or settlement of the Notes (if any) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction in the United States, and are subject to U.S. tax requirements. The Notes, any guarantee in respect thereof and the securities to be delivered on exercise or settlement of the Notes (if any) may not be offered, sold, pledged, assigned, delivered or otherwise transferred, exercised or redeemed at any time, directly or indirectly, within the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except in certain transactions exempt from the registration requirements of the Securities Act (and any applicable laws of any State of the United States or any other applicable jurisdiction). In purchasing the Notes, you hereby represent and warrant that you are neither located in the United States nor a U.S. person and that you are not purchasing for, or for the account or benefit of, any such person.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each intermediary and investor has represented and agreed that it has not made and will not make an offer of the Notes to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes referred to in (a) to (c) above shall require the relevant Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression:

- an "**offer of Notes to the public**" in relation to any Note in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for; and
- the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

Prohibition of sales to EEA retail investors:

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MIFID II");

- (b) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or
- (c) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended.

Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs regulation") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs regulation.

United Kingdom

In relation to the United Kingdom, each intermediary and investor has represented and agreed that it has not made and will not make an offer of the Notes to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation; or
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Distribution Agent or Distribution Agents nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA

provided that no such offer of the Notes referred to in (a) to (c) above shall require the relevant Issuer or any Distribution Agent to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression:

- an "**offer of Notes to the public**" in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for;
 - the expression "**UK Prospectus Regulation**" means the Regulation (EU) 2017/1127 as it forms part of "retained EU law" as defined in the EUWA; and
 - the expression "**EUWA**" means the European Union (Withdrawal) Act 2018.
- Prohibition of sales to UK retail investors:

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK.

For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018 (the "EUWA");
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of "retained EU law" as defined in the EUWA; or
- (c) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the EUWA (the "UK Prospectus Regulation").

Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of "retained EU law", as defined in the EUWA (the "UK PRIIPs regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs regulation.

Hong Kong

Each intermediary and investor has acknowledged and represented that:

- a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each intermediary and investor has acknowledged that this document and the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each intermediary and investor has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this document and the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

RISK FACTORS

Structured transactions linked to underlying asset(s) which may be shares, indices, commodities, commodity indices, foreign exchange rates, interest rates, funds (including an exchange traded fund, a mutual fund or a hedge fund), any other financial, economic or other measures or instruments, baskets of the foregoing, or any other combination of any of the foregoing (the “**underlying**”) are complex and may involve a high risk of loss. Please see the Offering Circular together with the Pricing Supplement for a full detailed description of the Notes and in particular, please review the risk factors associated with the Notes set out in the section entitled “Risk Factors Relating to the Program Securities” in the Offering Circular. The Offering Circular, Pricing Supplement and this termsheet do not disclose all of the risks and other significant aspects of the Notes. Prior to entering into a transaction you are advised to consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, the Issuer is not acting as your financial adviser or fiduciary in any transaction. Any investment decision is entered into at your own risk. This document is for information purposes only and should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice.

Investing in the Notes entails certain risks including, but not limited to, the following:

Not a time deposit: The Notes is NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong or the Deposit Insurance and Policy Owners’ Protection Scheme in Singapore.

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. Where the underlying is comprised of share(s) or ETF(s), these circumstances include the Nationalisation, Delisting, Insolvency or a Takeover or Merger of the share issuers of the underlying. In such circumstances, the Determination Agent can determine whether to redeem the Notes early, or adjust the terms of the Notes, which may include adjustments to the Initial Price or Initial Level (as the case may be) or even the underlying. Potential investors should see the Offering Circular for a detailed description of Potential Adjustment Events and adjustments, if the underlying is a Share or an ETF.

The calculations and determinations of the Determination Agent shall be made in accordance with the Conditions of the Notes (having regard in each case to the criteria stipulated in the Pricing Supplement and the Conditions and where relevant on the basis of information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the investors. None of the Determination Agent, the Issuer or the Guarantor or any agents (as applicable) shall have responsibility to the investors for good faith errors or omissions in the Determination Agent’s calculations and determinations, whether caused by negligence or otherwise, as provided in the Conditions of the Notes. Investors shall not be entitled to make any claim against the Determination Agent, the Issuer or the Guarantor (as applicable) for such good faith errors or omission. The Determination Agent also has broad discretion to make certain determinations and adjustments, to replace the original underlying with another and/or to cause early redemption of the Notes, any of which may be adverse to the investors.

Underlying Performance Risk: The Notes will be redeemed at an amount determined by reference to the performance of the underlying and such performance will therefore affect the nature and value of the investment return on the Notes. Noteholders and prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase the Notes, prospective purchasers should form their own views of the merits of an investment related to the underlying based upon such investigations and not in reliance on any information given in this termsheet.

Credit Risk: Investors are exposed to the credit risk of the Issuer. The Notes are essentially a loan to the Issuer with a repayment amount linked to the performance of the underlying that the Issuer promises to pay to the investor at maturity. There is the risk, however, that the Issuer may not be able to fulfil its promise to the investor. If any companies in the Morgan Stanley group incur losses with respect to any of their activities, this may have a negative impact on the financial condition of the Issuer. The investor may lose all or part of your investment if the Issuer is unable to pay the coupons (if applicable) or the final redemption amount and/or go into liquidation. No assets of the Issuer are segregated and specifically set aside in order to pay the Noteholders in the event of the liquidation of the Issuer, and the Noteholders will rank behind creditors who have priority rights over certain assets of the Issuer.

Exit Risk: The secondary market price of the Notes will depend on many factors, including the value and volatility of the underlying, interest rates, the dividend rate on the stocks that compose the underlying, time remaining to maturity and the creditworthiness of the Issuer. 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 investor may receive an amount in the secondary market which may be less than the then intrinsic market value of the Notes and which may also be less than the amount the investor would have received had the investor held the Notes through to maturity.

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

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, in option contracts on the underlying or positions in any other available securities

or instruments. In addition, the Issuer and its affiliates trade the underlying as part of their general businesses. Any of these activities could potentially affect the value of the underlying, and accordingly, could affect the payout to the investors on the Notes.

No Shareholder Rights: An investor in the Notes will have no beneficial interest in the stocks that compose the relevant underlying nor any voting rights and will not have the right to receive dividends or other distributions with respect to the stocks that compose the underlying.

Underlying Issuer Risk: The issuer 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 issuer of the underlying, including any rebalancing that could trigger an adjustment to the terms of the Notes by the Determination Agent.

Early Redemption of the Notes for Taxation Reasons: Under the terms of the Notes, the Issuer is also entitled to early redeem the Notes if the Issuer is required to deduct or withhold any taxes as more particularly set out in the Conditions relating to the Notes. In such circumstances, investors may receive an amount which is less than the principal amount of the Notes.

Market Risk: The Notes can be volatile instruments and may be subject to considerable fluctuations in value and other risks inherent in investing in securities and/or derivatives. The value of a Note may fall as rapidly as it may rise due to numerous factors, including, but not limited to, systemic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook and the price/level of any underlying reference to which the Notes relate (e.g. securities, commodities, funds, rates and/or indices). The value of a Note may increase or decrease during its tenor.

The Notes are structured investment products - buying the Notes is not the same as taking a position in respect of the underlying. Changes in the prices and/or level of the underlying may not lead to a corresponding change in the market value of the Notes of the same magnitude or even any change at all.

Investors are exposed to the movement of interest rates whenever their Notes are redeemed, tendered or sold prior to maturity. From an economic perspective, the Notes typically comprise a zero coupon bond and an option. Movements in interest rates will have an impact upon both the value of the zero coupon bond and the option. As interest rates move upwards, the value of the Notes generally fall. Moreover, the longer the tenor of the Notes, the more sensitive the Notes will be to interest rate changes.

Capital at Risk or Capital Return: If the Notes are capital at risk investments, the final redemption amount depends on the performance of the underlying and could be zero. An investor may lose up to all of his/her initial investment. If the Notes stipulate that all or part of the capital will be returned on maturity, then the stipulated percentage of protection applies only if the Notes are held to maturity. Potential return on the Notes may be less than returns on a bank deposit or a non-structured fixed coupon bond or a direct investment in the assets linked to the Notes, or other investments.

In respect of capital at risk investments, there can be no assurance that the Notes will be redeemed at maturity at an amount which is equal to or more than the amount initially invested, in which case, investors in the Notes would have foregone any potential return that may have been earned on a direct investment in securities, indices, commodities, interest rates, fixed income investment or bank deposit of similar amount and tenor. The annualized return of capital at risk investments could be negative if the aggregate amount received or value of securities delivered under the Notes (after taking into account of interest/coupon paid under the Notes (if any)) at maturity is less than the initial amount invested in the Notes. Any per annum ("p.a.") interest/coupon calculation is made on the basis that the Notes are held to maturity. If a Note is sold or redeemed prior to maturity, the overall return on the Notes will be reduced accordingly.

Additionally, any potential return on an investment in any Notes does not take into consideration any fees charged in relation to your investment in the Notes (including, but not limited to, any fees relating to the purchase or transfers of Notes, custody services, payments of interest/coupon and redemption amount and delivery of securities).

Reinvestment Risk: If the Notes are early redeemed in accordance with the terms and conditions of the Notes, investors should note when he/she reinvests the proceeds into another product or instrument, the terms of such product or instrument may not be as favorable as those of the Notes.

Leverage Risk: Borrowing capital to fund the purchase of the Notes (leveraging) can significantly increase the risks of the investment such that if the value of the Notes decreases on a mark-to-market basis, leveraging will magnify that decrease in value.

Any statement on the potential risks and return on the Notes does not take into account the effect of any leveraging. Investors must factor in and consider the potential impact of, amongst other things, the cost of funding and possibility of margin calls due to a decrease in the daily mark-to-market value of the Notes prior to their maturity.

Investors considering borrowing capital to leverage their investment in the Notes should obtain further detailed information as to the applicable risks from their lender.

Foreign Exchange Rate Risk: If any amount received under the Notes is converted from the denominated currency of the Notes to another currency, or if the Notes are redeemed by delivery of securities denominated in a currency other than the Notes' denominated currency, the financial return under the Notes may be subject to fluctuations of the relevant exchange rate. The relevant exchange rate may fluctuate as a result of market and political conditions and economic factors and may go up as well as down. There is no assurance that the level of the relevant exchange rate at any given time will be at a level which will result in a favorable financial return.

Settlement Disruption Risk: Certain settlement disruption events may occur which will restrict the Issuer's ability to deliver cash and/or securities and the date of delivery of cash and/or the securities will be delayed accordingly. If the Notes are to be redeemed by physical delivery of securities, the Issuer may exercise its sole discretion to cash settle in whole or in part such securities to be delivered.

Notwithstanding that payment of coupon amount (if payable under the Notes) and/or redemption amount and/or delivery of securities have been made by the Issuer on the relevant payment date or settlement date, due to the fact that such payment and/or physical

settlement under the Notes are processed by the clearing system across different time zone, the coupon, redemption amount and/or the securities may not be reflected on the records of the clearing system accountholder simultaneously on the specified payment date and/or settlement date under the Notes.

Conflict of Interest: Morgan Stanley plays a variety of roles in connection with the proposed issue of Notes, including acting as Calculation Agent and hedging of the Issuer's obligations under the Notes, as well as Issuer, Guarantor and Dealer. In performing these duties, the economic interests of Morgan Stanley could be potentially adverse to the interest of the Noteholders, including in circumstances where Morgan Stanley may be permitted to exercise discretion that may affect the return on the Notes.

Reliance on Information: Unless otherwise stated, all calculations are based on information obtained from various publicly available sources. Both Morgan Stanley and the Calculation Agent have relied on these sources and not independently verified the information extracted from these sources. Neither Morgan Stanley nor the Calculation Agent shall be liable in any way for any calculations it performs in reliance of such information. The information used to undertake the selection procedure will be the most up-to-date information available. However, in some cases, the valuation information used to select securities/underlying assets may have been published several months previously and may not reflect the performance at the time of the selection procedure.

INVESTOR'S REPRESENTATIONS AND ACKNOWLEDGMENTS

This Term Sheet is not an offer or a solicitation to buy or sell the Notes described in this Term Sheet. However, if you, the purchaser (the "purchaser", which term shall exclude LGT Bank AG, Hong Kong Branch and LGT Bank (Singapore) Ltd. (in their respective capacities as distributors of the Notes in Hong Kong and Singapore)), agree with us (whether by telephone or otherwise) that you will purchase Notes of the kind described in this Term Sheet (subject to any modifications agreed between us) your purchase will be deemed to have acknowledged, represented, warranted and undertaken the following to the Issuer and each of its affiliates (which representations, warranties and undertakings are deemed to be repeated on every day while the Notes are outstanding):

(A) that (i) you are purchasing the Notes as principal (and not as agent or in any other capacity) and to the extent that you offer, sell, deliver or otherwise transfer any Notes, you shall only effect such transactions as principal after (I) having made such enquiries you deem relevant in order to satisfy yourself that prospective purchaser(s) have the requisite capacity and authority to purchase the Notes, (II) obtaining all requisite licenses, consents and regulatory approvals, and (III) carrying out credit and suitability assessment for each individual prospective purchase. You shall only offer, sell, deliver or otherwise transfer the Notes to potential purchaser(s) who are capable of understanding, assessing and assuming the risks associated with an investment in the Notes, and for whom the Notes fit with that individual prospective purchaser's investment objectives and level of risk tolerance. The on-sale by you of any Notes to prospective purchaser(s) will comply and be fully consistent with all laws of your jurisdiction and all regulations, guidelines, codes of conduct, selling practices and restrictions (including but not limited to investment intermediaries laws, prospectus and public offer laws and anti-money laundering laws and regulations) applicable to you. In Singapore the Notes will be offered or sold only to (I) institutional investor(s) (as defined under the Securities and Futures Act 2001 (the "SFA")), (II) accredited investor(s) (as defined under the SFA) or (III) such other person(s) pursuant to Section 275(1A) of the SFA (where the minimum transaction size is no less than S\$200,000 (or its equivalent in a foreign currency)) and that the Notes are suitable for such purchaser(s) and after obtaining all requisite licenses, consents and regulatory approvals. You will either (I) obtain representations, warranties, undertakings and indemnities (corresponding to those given by you herein) from such investor in such a form that would be directly enforceable by the Issuer, the Distribution Agent and any of their affiliates or (II) take responsibility for the acts and omissions of such prospective investors. You agree that the Issuer and the Distribution Agent shall assume no responsibility or liability whatsoever in relation to any such on-sale of the Notes by you. Neither (I) you nor any of your affiliates has authority to, nor shall you make any representation or offer any warranty to your prospective purchaser(s) regarding the Notes; and (II) the Issuer nor the Distribution Agent assume any responsibility whatsoever in relation to any representation or warranty made by you in breach hereof; (ii) none of the Issuer, the Distribution Agent or their affiliates is acting as a fiduciary or an advisor to you in respect of the Notes; (iii) you are capable of assessing the merits of and understanding, and understand and accept, the terms, conditions and risks of the Notes; (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 independent decision to purchase the Notes and as to whether the Notes are appropriate or proper for you and any other 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, (v) you are capable of assuming, and assume, the risks of the Notes (it being understood that no communication (written or oral) received from Issuer, the Distribution Agent or any of their affiliates may be treated by you as an assurance or guarantee as to the expected results of the Notes or investment advice or a recommendation to purchase the Notes), and (vi) 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 its trade or business;

(B) (i) you will not, directly or indirectly, offer, sell or arrange the sale of any Notes or distribute or publish any offering materials (which for the avoidance of doubt will include any offering circular, prospectus, marketing materials, form of application, advertisement, other document or information) or carry out any type of solicitation in connection with the Notes (in either case in any manner whatsoever, including via the internet) in any country or jurisdiction, except in compliance with applicable laws and regulations, codes of conduct and selling practices (including, for the avoidance of doubt, Regulation S under the United States Securities Act of 1933, as amended, the "Securities Act", investment intermediaries laws, prospectus and public offer laws and anti-money laundering laws and regulations), and that will not constitute a public offering of the Notes (as such term is understood under the applicable laws of the relevant country or jurisdiction), or give rise to any liability for the Issuer, the Distribution Agent or any of their respective directors, officers, employers, agents or affiliates; and (ii) that you have not offered and will not offer any Notes to persons in any member state of the European Economic Area, except in circumstances which do not result in any breach of the Prospectus Directive by the offeror, the Issuer or the Distribution Agent and their respective affiliates provided that an offer shall not be treated as not requiring the publication of a prospectus pursuant to Article 3 of the Prospectus Directive solely by virtue of the application of Article 3(2)(b). "Prospectus Directive" means Directive 2003/71/EC, as amended by Directive 2010/73/EC;

(C) (i) acknowledgements that the Notes have not been and will not be registered under the Securities Act or any securities laws of any state of the United States and are subject to U.S. tax requirements; (ii) an agreement that the Notes may not be offered, sold, transferred or delivered, at any time, any of the Notes, directly or indirectly, in the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act or the Internal Revenue Code); you shall not distribute the Notes to any investors or in a manner such that Morgan Stanley & Co. International plc or the relevant Issuer would be required to file or register a prospectus, take any action or otherwise qualify the Notes for a public offering in any jurisdiction; and (iv) an undertaking to the Issuer, the Distribution Agent and each of their affiliates that all offers, sales and arrangements of sales of any Notes by it will be made on terms requiring the person(s) with whom you are dealing to undertake as set out in (i), (ii) and (iii) above;

(D) that your clients and any person to whom you on-sell any Notes (whether or not identified to MSIP) will remain your sole responsibility and will not become clients or customers of Morgan Stanley & Co. International plc for the purposes of the rules and guidance of the

Financial Conduct Authority of the UK ("FCA") published by the FCA in its handbook from time to time. You further represent, warrant and agree that you shall, and will procure that your affiliates shall, include a disclaimer prominently in each marketing material prepared by you or on your behalf to the effect that, inter alia, none of the Issuer, the Distribution Agent, Morgan Stanley & Co. International plc nor any of their respective directors, officers, employees, agents or affiliates (each a "Person") has been involved in the preparation of the information nor has issued nor approved it and that accordingly no Person takes any responsibility for such information or makes any representation or warranty regarding the accuracy, completeness or adequacy of such information and no liability to any party is accepted by any Person in connection with such information. You represent and undertake that any marketing materials are or will be true and accurate in all material respects and consistent in all material respects with the contents of the relevant prospectus and do not and shall not contain any omissions that would make them misleading. In the event that you or any of your affiliates prepares any advertising or promotional materials with respect to the Notes you shall obtain all applicable consents and approvals, including the express prior written consent of the Issuer and the Distribution Agent or their relevant affiliates must be obtained for any reference therein to the Issuer, the Distribution Agent or any of their affiliates;

(E) you have committed to purchase the Notes at the issue price stated in the Term Sheet (or such price otherwise agreed between us) when issued, in the agreed quantity and on terms, as provided in the definitive documentation, consistent with those in this Term Sheet (subject to any modifications agreed between us);

(F) that 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;

(G) that (i) as of the date hereof you have the capacity and authority to purchase and hold the Notes and to give and perform the undertakings and representations set out in this Term Sheet; (ii) you have obtained all requisite licenses, consents and regulatory approvals to enter into this transaction and to on-sell any Notes to any investors all that such regulatory approvals are valid and subsisting;

(H) undertakings that, in the event that your or your affiliates receives any fee, rebate or discount you shall not be in breach of any regulations or customer or contractual requirements or obligations and you shall, where required to do so (whether by any applicable regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to any party you may sell or transfer the Notes. You acknowledge that where fees are payable, or rebates or discounts applied, the Issuer and/or Morgan Stanley & Co. International plc may disclose the amounts and/or basis of such fees, rebates or discounts to any party you may sell or transfer the Notes to (where required by applicable law, regulation or rule or at the request of any such party to whom you have sold or transferred the securities to);

(I) If the underlying is listed on the Taiwan Stock Exchange, then you confirm that you do not fall within a category of persons resident, incorporated or organized in the People's Republic of China to which Article 73 of the Act Governing Relations Between the People of the Taiwan Area and the Mainland Area (as amended from time to time) applies;

(J) If the underlying is listed on the Taiwan Stock Exchange, then all amounts paid or to be paid by you under the Notes derive or will be derived from a source outside the People's Republic of China and Taiwan;

(K) you shall not appoint any agent other than your affiliates to act on your behalf in relation to any marketing or on-sale of any Notes. Where you distribute through your affiliates, you represent and agree that you shall notify any affiliate appointed by or acting as purchaser on your behalf of the terms outlined herein and shall procure that any such affiliate shall observe those terms;

(L) you agree that no element of this transaction shall constitute, or be deemed to constitute, a partnership between the parties nor shall it constitute, or be deemed to constitute, either party as the agent of the other party for any purpose; and

(M) you agree and undertake to indemnify and hold harmless and keep indemnified and held harmless the Issuer, the Distribution Agent 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 affiliate or agent of yours as a result of non-compliance with any of the provisions set out in the representations herein, or as a result of acting otherwise than as required or contemplated herein.