Morgan Stanley

Not For Distribution to U.S. Based Investors 10 February 2022

Morgan Stanley Finance LLC USD 30,000,000 Floating Rate Notes due 3 March 2037

TERMSHEET

NOT FOR GENERAL DISTRIBUTION

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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 (THE "IMD"), 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) (THE “PROSPECTUS REGULATION”).

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.

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 UNITED KINGDOM (“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 DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”);

(B) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE 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 DOMESTIC LAW BY VIRTUE OF THE EUWA; OR

(C) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF 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 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.

ISSUER	Morgan Stanley Finance LLC
GUARANTOR	Morgan Stanley
ISSUER RATING	A1 (Moody’s) / BBB+ (S&P) / A (Fitch)
GUARANTOR RATING	A1 (Moody’s) / BBB+ (S&P) / A (Fitch)

STATUS	Senior unsecured
SPECIFIED CURRENCY	United States Dollars ("USD")
NOTIONAL AMOUNT	USD 30,000,000
DENOMINATION (PAR)	USD 1,000,000
TRADE DATE	10 February 2022
ISSUE DATE	3 March 2022
MATURITY DATE	3 March 2037, subject to adjustment in accordance with the Modified Following Business Day Convention. "Modified Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day.
ISSUE PRICE	100% of the Notional Amount
FINAL REDEMPTION AMOUNT	100% of the Notional Amount, payable in USD
INTEREST RATE	For each Interest Calculation Period: Reference Rate *plus* 0.50%; subject to the Minimum Interest Rate. For the purpose of determining the level of the Reference Rate applicable to an Interest Calculation Period, the level of the Reference Rate will be determined two (2) U.S. government securities business days prior to the related Interest Reset Date at the start of such Interest Calculation Period (each, an "**Interest Determination Date**").
REFERENCE RATE	The 10-Year U.S. Dollar SOFR ICE Swap Rate (10CMS). "**10CMS**" means that the rate for an Interest Reset Date will be the USD SOFR ICE Swap Rate with an index maturity of 10 years, expressed as a percentage, provided by the administrator of the USD SOFR ICE Swap Rate as of approximately 11:00 a.m., New York City time (or any amended publication time specified by the administrator of the USD SOFR ICE Swap Rate in the benchmark methodology) on the interest determination date. *Reuters, Bloomberg and various other third-party sources may report the USD SOFR ICE Swap Rate. If any such reported rate differs from that as provided by the administrator of the USD SOFR ICE Swap Rate, the rate as provided by such administrator will prevail.* If that rate is subsequently corrected and provided by the administrator of the USD SOFR ICE Swap Rate to, and published by, authorized distributors of the USD SOFR ICE Swap Rate within the longer of one hour of the time when such rate is first published by authorized distributors of the USD SOFR ICE Swap Rate and the republication cut-off time for the USD SOFR ICE Swap Rate, if any, as specified by the USD SOFR ICE Swap Rate benchmark administrator in the USD SOFR ICE Swap Rate benchmark methodology, then that rate will be subject to those corrections. "**USD SOFR ICE Swap Rate**" means the swap rate for a fixed-for-floating U.S. Dollar swap transaction where the floating leg references the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor administrator) (SOFR), as provided by ICE Benchmark Administration Limited as the administrator of the benchmark (or a successor administrator). For a description of SOFR, see "Secured Overnight Financing Rate" below. **Temporary Non-Publication**

If the CMS Rate for a period of the index maturity in respect of an Interest Reset Date is not published by the administrator of the CMS Rate or an authorized distributor and is not otherwise provided by the administrator of the CMS Rate by either (A) such Interest Reset Date or (B) such other date on which the CMS Rate is required, then, for such date, the Calculation Agent shall determine a commercially reasonable alternative for the CMS Rate, taking into account all available information that in good faith it considers relevant including, without limitation, an industry-accepted rate of interest in the over-the-counter derivatives market or for U.S. dollar-denominated floating rate notes (if any).
Notwithstanding the foregoing, if, as of an interest determination date, an Index Cessation Effective Date with respect to the applicable tenor of the then-current CMS Rate has occurred, the provisions set forth under "Index Cessation" below shall apply.

Index Cessation

If, as of an Interest Determination Date, an Index Cessation Effective Date with respect to the applicable tenor of the then-current CMS Rate has occurred, then the CMS Rate in respect of each following Interest Reset Date shall thereafter be the Benchmark Replacement (including any adjustment spread calculation (which may be a positive or negative value or zero)) selected on that Interest Determination Date by the Calculation Agent acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, following the occurrence of an Index Cessation Effective Date in respect of one or more Index Cessation Events, the selection of the Benchmark Replacement (including any adjustment spread calculation) will be a one-time process and will apply to each following Interest Reset Date.

"**CMS Rate**" means, initially, 10CMS; *provided* that if an Index Cessation Effective Date has occurred with respect to 10CMS or the then-current CMS Rate, then "CMS Rate" means the applicable Benchmark Replacement. For the avoidance of doubt, such Benchmark Replacement will replace the then-current CMS Rate for all purposes relating to the Notes.

"**Index Cessation Effective Date**" means, in respect of the then-current CMS Rate and one or more Index Cessation Events, the first date on which the CMS Rate would ordinarily have been published or provided and is no longer published or provided. If the CMS Rate ceases to be provided on an Interest Determination Date, but it was provided at the time at which it is to be observed pursuant to "Reference Rate" above, then the Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published or provided.

"**Index Cessation Event**" means, in respect of the then-current CMS Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the CMS Rate announcing that it has ceased or will cease to provide the CMS Rate permanently or indefinitely; *provided* that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the CMS Rate; or

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the CMS Rate, the central bank for the currency of the CMS Rate, an insolvency official with jurisdiction over the administrator for the CMS Rate, a resolution authority with jurisdiction over the administrator for the CMS Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the CMS Rate, which states that the administrator of the CMS Rate has ceased or will cease to provide the CMS Rate permanently or indefinitely; *provided* that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the CMS Rate.

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	"**Benchmark Replacement**" means the first alternative benchmark set forth in the order below that can be determined by the Calculation Agent as of the Interest Determination Date next succeeding the relevant Index Cessation Event (or, if the Index Cessation Event occurs on the Interest Determination Date, that Interest Determination Date): (a) the alternate rate of interest that has been selected or recommended by the relevant governmental body or agency with jurisdiction over the then-current CMS Rate or the administrator thereof as the replacement for the then-current CMS Rate for the applicable index maturity; and (b) the alternate rate of interest that has been selected by the Calculation Agent as the replacement for the then-current CMS Rate for the applicable index maturity giving due consideration to any industry-accepted rate of interest as a replacement for the then-current CMS Rate for U.S. dollar-denominated floating rate notes at such time, including any alternate rate of interest recommended by the International Swaps and Derivatives Association, Inc. or any successor thereto. In connection with the implementation of a Benchmark Replacement, we or our designee will have the right to make Benchmark Replacement Conforming Changes from time to time. "**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any changes (including changes to the definition of "Interest Calculation Period," timing and frequency of determining rates and making payments of interest, and other administrative matters) that the Calculation Agent determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent determines is reasonably necessary). **Decisions and Determinations** Any determination, decision or election that may be made by us or our designee or the Calculation Agent pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: • will be conclusive and binding absent manifest error; • will be made in such person's sole discretion; and • notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.
MIMUMUM INTERST RATE	0.00% per annum
DAY COUNT CONVENTION	30/360 (Bond Basis)
INTEREST CALCULATION PERIOD	Each period from and including an Interest Period End Date to but excluding the next Interest Period End Date, except that the first Interest Calculation Period shall commence on (and include) the Issue Date and end on (but exclude) the first Interest Period End Date.
INTEREST PERIOD END DATE	3 March in each year, from and including 3 March 2023, to and including the Maturity Date, in each case without adjustment
INTERST PAYMENT DATE	3 March in each year, from and including 3 March 2023, to and including the Maturity Date, in each case as adjusted in accordance with the Business Day Convention
INTEREST RESET DATE	The first day of each Interest Calculation Period
BUSINESS DAYS	New York and London

Please refer to important disclosures at the end of this document.

CALCULATION AGENT	Morgan Stanley & Co. International plc
LISTING	Application will be made for the Notes to be admitted to be traded on the TPEX with effect from the Issue Date. No assurance can be given as to whether or not, or when, such application will be granted.
MANAGERS	First Commercial Bank and KGI Securities
FILING AGENT	KGI Securities
LIQUIDITY PROVIDER	KGI Securities
PAYING AGENT/FISCAL AGENT	The Bank of New York Mellon
DOCUMENTATION	The Offering Circular dated 25 June 2021 as supplemented from time to time up to the Issue Date, for the Issuer's Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates. The Notes will be subject to the Offering Circular including any supplemental offering circular published on or prior to the Issue Date.
CLEARING AGENT	Euroclear/Clearstream, Luxembourg
FORM OF NOTES	Reg S, Registered Notes
ISIN	XS2175199699
COMMON CODE	217519969
GOVERNING LAW	English Law
TAX CONSIDERATIONS FOR NON-U.S. HOLDERS	A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the note (or a financial institution holding the note on behalf of the beneficial owner) furnishes the appropriate Form W-8, on which the beneficial owner certifies under penalties of perjury that it is not a U.S. person. If withholding or deduction of taxes is required by law (regardless of whether a holder furnished an appropriate form), payments on the notes will be made net of applicable withholding taxes, and Morgan Stanley Finance LLC will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.
SELLING RESTRICTION	The Notes have not been, and shall not be, offered or sold, directly or indirectly, to investors other than "professional institutional investors" ("Professional Institutional Investors") as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (the "ROC"), which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognized by the Financial Supervisory Commission of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor. See further "Selling Restrictions" below.

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The Notes are complex and may involve a high risk of loss. Prior to purchasing the Notes, you should 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 judgment and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, the Issuer is not acting as your financial adviser of fiduciary with respect to your purchase of the Notes. This document is for information 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.

Morgan Stanley Finance LLC 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.

Secured Overnight Financing Rate: As further described above, 10CMS is determined by reference to SOFR.

The Secured Overnight Financing Rate ("**SOFR**") is published by the New York Federal Reserve and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U.S. Treasury securities. The New York Federal Reserve reports that SOFR includes all trades in the Broad General Collateral Rate and bilateral Treasury repurchase agreement (repo) transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the "FICC"), a subsidiary of the Depository Trust and Clearing Corporation ("DTCC"), and SOFR is filtered by the New York Federal Reserve to remove some (but not all) of the foregoing transactions considered to be "specials." According to the New York Federal Reserve, "specials" are repos for specific-issue collateral, which take place at cash-lending rates below those for general collateral repos because cash providers are willing to accept a lesser return on their cash in order to obtain a particular security.

The New York Federal Reserve reports that SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance Repo transaction data and data on bilateral Treasury repo transactions cleared through the FICC's delivery-versus-payment service. The New York Federal Reserve also notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC.

If data for a given market segment were unavailable for any day, then the most recently available data for that segment would be utilized, with the rates on each transaction from that day adjusted to account for any change in the level of market rates in that segment over the intervening period. SOFR would be calculated from this adjusted prior day's data for segments where current data were unavailable, and unadjusted data for any segments where data were available. To determine the change in the level of market rates over the intervening period for the missing market segment, the New York Federal Reserve would use information collected through a daily survey conducted by its Trading Desk of primary dealers' repo borrowing activity. Such daily survey would include information reported by Morgan Stanley & Co. LLC, a wholly owned subsidiary of Morgan Stanley, as a primary dealer.

The New York Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the New York Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

Each U.S. Government Securities Business Day, the New York Federal Reserve publishes SOFR on its website at approximately 8:00 a.m., New York City time. If errors are discovered in the transaction data provided by The Bank of New York Mellon or DTCC Solutions LLC, or in the calculation process, subsequent to the initial publication of SOFR but on that same day, SOFR and the accompanying summary statistics may be republished at approximately 2:30 p.m., New York City time. Additionally, if transaction data from The Bank of New York Mellon or DTCC Solutions LLC had previously not been available in time for publication, but became available later in the day, the affected rate or rates may be republished at around this time. Rate revisions will only be effected on the same day as initial publication and will only be republished if the change in the rate exceeds one basis point. Any time a rate is revised, a footnote to the New York Federal Reserve's publication would indicate the revision. This revision threshold will be reviewed periodically by the New York Federal Reserve and may be changed based on market conditions.

Because SOFR is published by the New York Federal Reserve based on data received from other sources, we have no control over its determination, calculation or publication. See “Risk Factors” below.

The information contained in this section “Secured Overnight Financing Rate” is based upon the New York Federal Reserve’s Website and other U.S. government sources.

Key Risk Factors

Investments in the Notes involve a number of significant risks and there can be no assurances that you will not suffer a loss of some or all of your initial investment in the Notes. This section describes the most significant risks relating to the Notes.

For a complete list of risk factors, please see the Offering Circular and the Pricing Supplement. An investment in the Notes entails significant risks not associated with similar investments in a conventional debt security and events that are difficult to predict and beyond the Issuer's control. You should carefully consider whether the Notes are suited to your particular circumstances before you decide to purchase them. Accordingly, prospective investors should consult their legal and financial advisors as to the risks entailed by an investment in the Notes and the suitability of the Notes in light of their particular circumstances.

Investors Are Subject to the Issuer's Credit Risk, and Any Actual or Anticipated Changes to the Issuer's Credit Ratings or Credit Spreads May Adversely Affect the Market Value of the Notes: Investors are dependent on the Issuer's ability to pay all amounts due on the Notes at maturity and therefore investors are subject to the Issuer's credit risk and to changes in the market's view of the Issuer's creditworthiness. The Notes are not guaranteed by any other entity unless otherwise stated in the term sheet. If the Issuer defaults on its obligations under the Notes, investors' investments would be at risk and they could lose some or all of their investment. As a result, the market value of the Notes prior to maturity will be affected by changes in the market's view of the Issuer's creditworthiness. Any actual or anticipated decline in the Issuer's credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the Notes.

Floating Rate Notes: The Notes bear a floating rate interest which is linked to 10CMS. There is a risk that such floating rate will decrease during the term of the Notes and therefore the investor's return may be less than originally expected.

Risks Relating to the Reference Rate:

- **The reference rate will be affected by a number of factors.** A number of factors can affect the reference rate, including but not limited to:
    - supply and demand for overnight U.S. Treasury repurchase agreements;
    - trading and liquidity in the market for SOFR-based swaps and in the market for SOFR-linked financial contracts more generally;
    - general economic conditions: the economic, financial, political, regulatory and judicial events that affect financial markets generally will affect the reference rate;
    - prevailing interest rates: the reference rate is subject to daily fluctuations depending on prevailing interest rates in the market generally; and
    - policies of the Federal Reserve Board regarding interest rates.

  These and other factors may have a negative impact on the amount of interest payable on the Notes and on the value of the Notes prior to maturity.
- **The reference rate may be volatile.** The reference rate is subject to volatility due to a variety of factors affecting interest rates generally, including, but not limited to:
    - sentiment regarding the U.S. and global economies;
    - expectations regarding the level of price inflation;
    - sentiment regarding credit quality in the U.S. and global credit markets;
    - central bank policy regarding interest rates; and
    - performance of capital markets.

  Volatility of the reference rate may adversely affect your return on the Notes.
- **The USD SOFR ICE Swap Rate has a very limited history; the future performance of the USD SOFR ICE Swap Rate cannot be predicted based on historical performance.** You should note that publication

of the USD SOFR ICE Swap Rate began on November 8, 2021 and it therefore has a very limited history. In addition, the future performance of the USD SOFR ICE Swap Rate cannot be predicted based on the limited historical performance. The level of the USD SOFR ICE Swap Rate during the term of the Notes may bear little or no relation to the historical level of the USD SOFR ICE Swap Rate. Prior observed patterns, if any, in the behavior of market variables and their relation to the USD SOFR ICE Swap Rate, such as correlations, may change in the future. The future performance of the USD SOFR ICE Swap Rate is impossible to predict and therefore no future performance of the USD SOFR ICE Swap Rate or the Notes may be inferred from any historical performance. Historical performance data are not indicative of, and have no bearing on, the potential performance of the USD SOFR ICE Swap Rate or the Notes. Changes in the levels of the USD SOFR ICE Swap Rate will affect the return on the Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that the USD SOFR ICE Swap Rate will be positive.

In addition, you should note that, in the recent past, the USD LIBOR ICE Swap Rate was not published on a significant number of scheduled publication days. It is possible that non-publication of the USD SOFR ICE Swap Rate may also occur in the future on some or a significant number of scheduled publication days. For example, if the relatively new market for SOFR-based swaps is not sufficiently liquid, ICE Benchmark Administration Limited may be unable to calculate and publish the USD SOFR ICE Swap Rate, which could adversely affect the value of the Notes, the return on the Notes and the price at which you can sell such Notes. See "Risk Factors—Risks Relating to an Investment in the Notes—The Calculation Agent, which is a subsidiary of the issuer, (or, if applicable, we or our designee) will make determinations with respect to the Notes."

- **The composition and characteristics of the USD SOFR ICE Swap Rate are not the same as those of the USD LIBOR ICE Swap Rate and there is no guarantee that the USD SOFR ICE Swap Rate will be a comparable substitute for the USD LIBOR ICE Swap Rate.** The administrator of the USD SOFR ICE Swap Rate, ICE Benchmark Administration Limited, launched the USD SOFR ICE Swap Rate to help the U.S. dollar derivatives market in its transition from LIBOR to SOFR. Both the USD SOFR ICE Swap Rate and the USD LIBOR ICE Swap Rate are determined by reference to interest rate swaps that reference a specified floating rate. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate (with the USD SOFR ICE Swap Rate determined by reference to such rate compounded in arrears for twelve months), while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global, national or regional economic, financial, political, regulatory, judicial or other events. For example, since publication of SOFR began on April 3, 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates. Consequently, there can be no assurance that the USD SOFR ICE Swap Rate will perform in the same way as the USD LIBOR Swap Rate would have at any time.

- **The secondary trading market for notes linked to the USD SOFR ICE Swap Rate may be limited.** Since the USD SOFR ICE Swap Rate is a new market rate, the Notes will likely have no established trading market when issued and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to the USD SOFR ICE Swap Rate (such as the Notes), such as the spread, may evolve over time and, as a result, trading prices of the Notes may be lower than those of later-issued debt securities that are linked to the USD SOFR ICE Swap Rate. Similarly, if the USD SOFR ICE Swap Rate does not prove to be widely used in debt securities similar to the Notes, the trading price of the Notes may be lower than that of debt securities linked to rates that are more widely used. Investors in the Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Further, investors wishing to sell the Notes in the secondary market will have to make assumptions as to the future performance of the USD SOFR ICE Swap Rate during the Interest Calculation Period in which they intend the sale to take place. As a result, investors may suffer from increased pricing volatility and market risk.

- **The administrator of the USD SOFR ICE Swap Rate may make changes that could change the value of the USD SOFR ICE Swap Rate or discontinue the USD SOFR ICE Swap Rate and has no obligation to consider your interests in doing so.** ICE Benchmark Administration Limited (or a successor), as administrator of the USD SOFR ICE Swap Rate, may make methodological or other changes that could change the value of the USD SOFR ICE Swap Rate, including changes related to the method by which the USD SOFR ICE Swap Rate is calculated, eligibility criteria applicable to the transactions used to calculate the USD SOFR ICE Swap Rate, or timing related to the publication of the USD SOFR ICE Swap Rate. In addition,

Please refer to important disclosures at the end of this document.

the administrator may alter, discontinue or suspend calculation or dissemination of the USD SOFR ICE Swap Rate. The administrator has no obligation to consider your interests in calculating, adjusting, converting, revising or discontinuing the USD SOFR ICE Swap Rate. See "Risk Factors—Risks Relating to an Investment in the Notes—The Calculation Agent, which is a subsidiary of the issuer, (or, if applicable, we or our designee) will make determinations with respect to the Notes."

- **In the event of an Index Cessation Effective Date, there is no guarantee that any Benchmark Replacement will be a comparable substitute for the then-current CMS Rate.** If, as of an Interest Determination Date, an Index Cessation Effective Date has occurred with respect to the applicable tenor of the then-current CMS Rate and one or more Index Cessation Events, then the interest rate on the Notes will no longer be determined by reference to the then-current CMS Rate, but instead will be determined by reference to a different rate, which will be a different benchmark than the then-current CMS Rate, plus a spread adjustment, which we refer to as a "Benchmark Replacement," as further described above. In such a case, in the first instance, the interest rate on the Notes will be determined based on the alternate rate of interest that has been selected or recommended by the relevant governmental body or agency with jurisdiction over the then-current CMS Rate or the administrator thereof as the replacement for the then-current CMS Rate for the applicable index maturity. There can be no assurance that such a rate will be selected or recommended by the relevant governmental body or agency. If such a Benchmark Replacement cannot be determined, then the interest rate on the Notes will be determined based on the alternate rate of interest that has been selected by the Calculation Agent giving due consideration to any industry-accepted rate of interest as a replacement for the then-current CMS Rate for U.S. dollar-denominated floating rate notes at such time. No market consensus exists as to what rate or rates may become industry-accepted replacements for any CMS Rate.

  In addition, the terms of the Notes expressly authorize us or our designee to make Benchmark Replacement Conforming Changes with respect to, among other things, changes to the definition of "Interest Calculation Period," timing and frequency of determining rates and making payments of interest, and other administrative matters. The selection of a Benchmark Replacement, the calculation of the interest rate on the Notes by reference to a Benchmark Replacement (including any adjustment spread calculation), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the Notes in connection with an Index Cessation Effective Date could adversely affect the value of the Notes, the return on the Notes and the price at which you can sell such Notes.

  Any determination, decision or election that may be made by the Calculation Agent or us or our designee described above will be made in such person's sole discretion.

  In addition, (i) the composition and characteristics of the Benchmark Replacement will not be the same as those of the then-current CMS Rate, the Benchmark Replacement will not be the economic equivalent of the then-current CMS Rate, there can be no assurance that the Benchmark Replacement will perform in the same way as the then-current CMS Rate would have at any time and there is no guarantee that the Benchmark Replacement will be a comparable substitute for the then-current CMS Rate (each of which means that an Index Cessation Effective Date could adversely affect the value of the Notes, the return on the Notes and the price at which you can sell such Notes), (ii) any failure of the Benchmark Replacement to gain market acceptance could adversely affect the Notes, (iii) the Benchmark Replacement may have a very limited history and the future performance of the Benchmark Replacement cannot be predicted based on historical performance, (iv) the secondary trading market for notes linked to the Benchmark Replacement may be limited and (v) the administrator of the Benchmark Replacement may make changes that could change the value of the Benchmark Replacement or discontinue the Benchmark Replacement and has no obligation to consider your interests in doing so. Moreover, following the occurrence of an Index Cessation Effective Date in respect of one or more Index Cessation Events, the selection of the Benchmark Replacement (including any adjustment spread calculation) will be a one-time process and will apply to each following Interest Reset Date. As a result, there is no guarantee that the interest rate on the Notes at any time following the occurrence of an Index Cessation Effective Date will equal the interest rate that would have been payable if such Index Cessation Effective Date had not occurred, which could adversely affect the value of the Notes, the return on the Notes and the price at which you can sell such Notes.

Exchange Rate Risk and Exchange Control Risk: An investment in a Note that is denominated in a currency other than the investor's home currency entails significant risks. These risks include the possibility of significant changes in rates of exchange between the investor's home currency and the other relevant currencies, which could be highly volatile, and the possibility of the imposition or modification of exchange controls by the relevant governmental authorities. In addition, changes in exchange rates relating to any of the relevant currencies could result in a decrease in its effective yield and in the investor's loss of all or a substantial portion of the value of the Note. Governments have imposed from time to time, and may in the future impose, exchange controls that could

also affect the availability of a relevant currency. These risks generally depend on economic and political events over which the Issuer has no control.

Secondary Trading May Be Limited: Application will be made for the listing of the Notes on the TPEX. No assurance can be given as to whether the Notes will be, or will remain, listed on the TPEX. If the Notes fail to or cease to be listed on the TPEX, certain investors may not invest in, or continue to hold or invest in, the Notes. While the Notes are expected to be listed on the TPEX, there may be little or no secondary market for the Notes. MSIP may, to the extent permitted by law, but is not obligated to, make a market in the Notes and, if it once chooses to make a market, may cease doing so at any time. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the Notes, taking into account its bid/offer spread, the Issuer's credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily. Since other broker-dealers may not participate significantly in the secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which MSIP is willing to transact. If, at any time, MSIP were to cease making a market in the Notes, it is likely that there would be no secondary market for the Notes. Accordingly, you should be willing to hold your Notes to maturity.

The Calculation Agent, Which Is a Subsidiary of the Issuer, Will Make Determinations with Respect to the Notes. The amount declared due and payable per Note upon any acceleration of the Notes will be determined by the calculation agent, which determination will affect the payout to you on the Notes.

The Price at Which the Notes May Be Sold Prior to Maturity Will Depend on a Number of Factors and May Be Substantially Less than the Amount for Which They Were Originally Purchased. Some of these factors include, but are not limited to: (i) actual or anticipated changes in the level of the market interest rates, (ii) volatility of the level of the market interest rates, (iii) changes in yield rates, (iv) any actual or anticipated changes in the Issuer's credit ratings or credit spreads and (v) time remaining to maturity. Generally, the longer the time remaining to maturity and the more tailored the exposure, the more the market price of the Notes will be affected by the other factors described in the preceding sentence. This can lead to significant adverse changes in the market price of securities like the Notes. Depending on the actual or anticipated level of market interest rates, the market value of the Notes is expected to decrease and investors may receive substantially less than 100% of the issue price if they are able to sell their Notes prior to maturity. Accordingly, you should be willing to hold your Notes to maturity.

The Issuer, Its Subsidiaries or Affiliates May Publish Research That Could Affect the Market Value of the Notes. They Also Expect to Hedge the Issuer's Obligations under the Notes. The Issuer or one or more of its affiliates may, at present or in the future, publish research reports with respect to movements in interest rates generally. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Any of these activities may affect the market value of the Notes. In addition, the Issuer's subsidiaries expect to hedge the Issuer's obligations under the Notes and they may realize a profit from that expected hedging activity even if investors do not receive a favorable investment return under the terms of the Notes or in any secondary market transaction.

Tax Considerations: Special tax considerations may apply to certain types of investors. Prospective investors are urged to consult with their own tax advisors to determine any tax implications of this investment. A Non-U.S. holder will be subject to U.S. withholding tax unless the beneficial owner of the Notes provides the required documentation to his withholding agent. If withholding or deduction of taxes is required by law, payments on the Notes will be made net of applicable withholding taxes, and the Issuer will not be required to pay any additional amounts to Non-U.S. holders with respect to any taxes withheld.

Accounting Considerations: Special accounting considerations may apply to certain types of investors. Prospective investors are urged to consult with their own accounting advisors to determine implications of this investment.

Selling Restrictions

No public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted in any jurisdiction where action for that purpose is required unless the relevant action has been taken. This term sheet may not be used for the purpose of any offer or solicitation by anyone in any jurisdiction in which that offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

The Notes must not be offered or sold 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. See also "Investor Representations" below.

UNITED STATES OF AMERICA: The Notes described herein, 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 Securities Act, or any securities laws of any state or other jurisdiction of the United States. **The Notes may not be offered, sold, transferred or delivered 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 a U.S. Person (as defined in Regulation S under the Securities Act)**. 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 on behalf of, or for the account or benefit of, any U.S. persons.

EUROPEAN ECONOMIC AREA MEMBER STATES:

No offer of the Notes to the public may be made, except in circumstances which do not result in any breach of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") by the Issuer, the Dealer and their respective affiliates and for this purpose an offer shall not be treated as not requiring the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation solely by virtue of the application of Article 1(4)(b) (offer to fewer than 150 persons).

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 a member state of the European Economic Area. For these purposes a "retail investor" means a person who is one (or more) of:

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

(b) a customer within the meaning of Directive (EU) 2016/97 (the "IMD"), 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 the Prospectus Regulation (Regulation (EU) 2017/1129).

UNITED KINGDOM:

The Notes may not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the 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 domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an offer includes 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 Notes.

HONG KONG: This term sheet is being disseminated in Hong Kong by Morgan Stanley Asia Limited. This term sheet and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly, no person

may 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 applicable securities law of Hong Kong) other than with respect to the Notes which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Chapter 571 of Hong Kong) and any rules made under that Ordinance.

SINGAPORE: This term sheet is being disseminated in Singapore by Morgan Stanley Asia (Singapore) Pte. and has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this term sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant Section 275(1), 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 Notes are subscribed or purchased under Section 275 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,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 except:

(1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
(2) where no consideration is or will be given for the transfer; or
(3) where the transfer is by operation of law or
(4) as specified in Section 276(7) of the SFA.

The Notes are offered through Morgan Stanley Asia (Singapore) Pte., an entity regulated by the Monetary Authority of Singapore.

PEOPLE'S REPUBLIC OF CHINA: The Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in mainland China , except as permitted by the securities laws of the People's Republic of China.

TAIWAN: The Notes have not been, and shall not be, offered or sold, directly or indirectly, to investors other than "professional institutional investors" ("Professional Institutional Investors") as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (the "ROC"), which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognized by the Financial Supervisory Commission of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Institutional Investor.

Investor Representations

This term sheet is not an offer or a solicitation to buy or sell the instrument described in this term sheet. However, if you agree with us (whether by telephone or otherwise) that you will purchase instruments of the kind described in this term sheet (subject to any modifications agreed between us) (the "**Notes**") your purchase will be deemed to include the following representations, warranties, undertakings and acknowledgements (the "**purchaser**" in the following text being you):

You have told us that it is your current intention to hold the Notes as principal until their maturity. Notwithstanding your current intention to hold the Notes until maturity, should you sell or transfer the Notes, you undertake that any such sale or transfer will be made in accordance with the provisions set out below.

(A) The purchaser represents and undertakes to the Issuer, the Dealer and each of their affiliates that (i) it is purchasing the Notes as principal (and not as agent or in any other capacity); (ii) none of the Issuer, the Dealer or their affiliates is acting as a fiduciary or an advisor to it in respect of the Notes; (iii) it is not relying upon any representations made by the Issuer, the Dealer or any of their affiliates; (iv) it has consulted with its own legal, regulatory, tax, business, investments, financial and accounting advisers to the extent that it has deemed necessary, and it has made its own investments, hedging and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer or any of its affiliates or agents, (v) it is purchasing the Notes with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks and (vi) it is 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) The purchaser acknowledges and agrees that the Issuer, the Dealer and each of their affiliates are not providing and have not provided investment advice to it or its investors in relation to any Notes. It has taken and shall take its own advice and it agrees to make its own independent assessment of whether the Notes are suitable and appropriate investments for it and, if it on-sells the Notes, its investors and it agrees and acknowledges it has not relied and is not relying on any advice, counsel or representations (whether oral or in writing) of the Issuer, the Dealer or any of their affiliates as a recommendation to purchase the Notes or as any form of investment advice;

(C) The purchaser represents and undertakes to the Issuer, the Dealer and each of their affiliates (i) that it has not offered and will not offer the Notes to persons in any Member State of the European Economic Area, except in circumstances which do not result in any breach of the EU Prospectus Directive (2003/71/EC and any implementing measures in each Member State) (the "Directive"), as amended by Directive 2010/73/EC, by the offeror, the Issuer or the Dealer (whether as placement agent or dealer or in any other capacity) or any of their respective affiliates; and (ii) not to make an offer of the Notes in respect of which the publication of a prospectus is not required solely by virtue of the application of article 3(2)(b) (offers to fewer than 150 natural or legal persons) of the Directive;

(D) The purchaser (i) undertakes to the Issuer, the Dealer and each of their affiliates that it will not, directly or indirectly, offer, sell or arrange the sale of any Securities or distribute or publish any offering materials in connection with the Securities (in either case in any manner whatsoever, including via the internet) in any country or jurisdiction, except under circumstances that will result in compliance with any applicable law and regulations (including, for the avoidance of doubt, Rule 903(a) and 903(b)(2) of Regulation S of the Securities Act); (ii) acknowledges 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; (iii) agrees that the purchaser and each of its affiliates will not offer, sell, transfer or deliver, at any time, any of the Notes, directly or indirectly, in the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America) or to for the account or benefit of any U.S. Person (as defined in Regulation S under the Securities Act); and (iv) undertakes to the Issuer, the Dealer 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 it is dealing to undertake as set out in (i), (ii) and (iii) above;

(E) The purchaser acknowledges and agrees that its clients and any person to whom it on-sells any Notes (whether or not identified to Morgan Stanley & Co. International Plc ("MSIP")) will remain the purchaser's sole responsibility and will not become clients or customers of MSIP 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. It further represents, warrants and agrees that it shall, and it will procure that its affiliates shall, include a disclaimer prominently in each marketing material prepared by it or on its behalf to the effect that, inter alia, none of the Issuer, MSIP 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. The purchaser represents and undertakes 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 the purchaser or any affiliate of it prepares any advertising or promotional materials with respect to the Notes it shall obtain all applicable consents and approvals and it shall also obtain the express prior written consent of the Issuer or the relevant affiliate must be obtained for any reference therein to the Issuer or any of its affiliates;

(F) You will be committed to purchase at the above issue price (or at the price otherwise agreed between us) the Notes, 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);

(G) The Issuer, the Dealer or their affiliates may enter into hedging or other arrangements in reliance upon your commitment, and, if you fail to comply with your commitment, your liability to those entities shall include liability for our costs and losses in unwinding such hedging or other arrangements;

(H) The purchaser represents that it has the requisite capacity and authority to purchase the Notes, its purchase of the Notes is in compliance with its internal guidelines and any regulatory guidelines applicable to it, and it has obtained all requisite licenses, consents and regulatory approvals to enter into this transaction and to on-sell any Notes to any investors; and all such regulatory approvals are valid and subsisting;

(I) The purchaser shall comply and shall procure that its affiliates, as appropriate, shall comply, with all applicable selling restrictions in respect of the sale of the Notes in any jurisdiction, including, without limitation those set out in the prospectus, and restrictions and requirements set out in the issue documents and any other regulations relating to the offer, sale or transfer of any Notes;

(J) The purchaser shall not distribute the Notes to any investors or in a manner such that MSIP 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;

(K) Where the purchaser receives any fee, rebate or discount it shall not be in breach of any regulations or customer or contractual requirements or obligations and it shall, where required to do so (whether by any applicable regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates and discounts to its investors. It acknowledges that where fees are payable, or rebates or discounts applied, the relevant Issuer and MSIP may disclose any fee, rebate or discount and the basis of such fees, rebates or discounts if required by any applicable law or regulation;

(L) The purchaser agrees that it shall only offer and on-sell the Notes under circumstances which will result in compliance with all applicable laws and regulations, codes of conduct and selling practices, including but not limited to investment intermediaries laws, prospectus and public offer laws and anti-money laundering laws and regulations, to prospective investors who are sophisticated and capable of assessing and assuming the risks associated with an investment in the Notes. The purchaser will either (i) obtain representations, warranties, undertakings and indemnities (corresponding to those given by the purchaser herein) from such investor in such a form that would be directly enforceable by the Issuer, MSIP and any affiliates or (ii) take responsibility for the acts and omissions of such prospective investors;

(M) The purchaser agrees that any purchase of the Notes from the Issuer and any on-sale of such Notes by it shall be effected as principal and not as agent for MSIP or the Issuer each of whom shall assume no responsibility or liability whatsoever in relation to any such transaction. Neither the purchaser nor any of its affiliates has authority to, nor shall not make any representation or offer any warranty to investors regarding the Notes, the Issuer or MSIP. Neither the Issuer nor MSIP assume a responsibility whatsoever in relation to any representation or warranty made by the purchaser in breach hereof;

(N) It shall not appoint any agent other than its affiliates to act on its behalf in relation to any marketing or on-sale of any Notes. Where the purchaser distributes through its affiliates, it represents and agrees that it shall notify any affiliate appointed by or acting as purchaser on its behalf of the terms outlined herein and shall procure that any such affiliate shall observe those terms; and

(O) The purchaser agrees 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;

2. The purchaser itself agrees and undertakes 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 the purchaser or any affiliate or agent of it breaching any of the provisions set out in the representations herein, or acting otherwise than as required or contemplated herein and/or in connection with an on-sale of the Notes by the purchaser.

In consideration of the Issuer and/or the Dealer from time to time offering and selling Notes to you, the purchaser agrees that the above representations, warranties, agreements, undertakings and indemnity are given for the benefit of the Issuer and the Dealer and each of such entities' directors, officers, employees, agents, controlling persons and respective affiliates.

The purchaser agrees that the terms set out in this termsheet and any non-contractual obligations arising out of or in connection with them are governed by English law. The purchaser agrees that the courts of England have exclusive jurisdiction to settle any disputes in connection with the terms set out in this termsheet and accordingly submits to the jurisdiction of the English courts.

Prior to our acceptance, the proposed terms of the purchase of the Notes set out in this term sheet shall be deemed to constitute an invitation to you (the purchaser) to make an offer in relation to such terms by signing this term sheet. A contract between you and us in respect of this proposed purchase shall arise only at the time we give our written or oral acceptance of your offer. It shall not be made at the time or place of (a) receipt by you of our invitation to treat or (b) receipt by us of this term sheet bearing your signature. Such a contract shall be made only at the time and place when and where we give our acceptance. No acceptance shall be made in the Republic of China.

Important Information

THE NOTES ARE ONLY SUITABLE FOR SOPHISTICATED INVESTORS. PROSPECTIVE INVESTORS WILL BE REQUIRED TO ACKNOWLEDGE OR WILL HAVE BEEN DEEMED TO HAVE ACKNOWLEDGED THAT THEY UNDERSTAND THE RISKS AND POTENTIAL CONSEQUENCES ASSOCIATED WITH PURCHASES OF THE NOTES AND THAT THEY HAVE MADE SUCH INDEPENDENT APPRAISAL OF THE ISSUER AND ITS ECONOMIC CIRCUMSTANCES AS THEY THINK APPROPRIATE, AND HAVE CONSULTED WITH THEIR OWN LEGAL, INVESTMENT, ACCOUNTING AND TAX ADVISORS TO THE EXTENT THEY BELIEVE IS APPROPRIATE TO ASSIST THEM IN UNDERSTANDING AND EVALUATING THE RISKS INVOLVED AND THE CONSEQUENCES OF PURCHASING THE NOTES.

THE NOTES MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED WITHOUT COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND REGULATIONS. THIS TERM SHEET HAS BEEN PREPARED SOLELY FOR INFORMATION PURPOSES AND IS NOT AN OFFER (OR A SOLICITATION OF AN OFFER) TO BUY OR SELL THE NOTES. NO REPRESENTATION OR WARRANTY IS GIVEN WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS TERM SHEET. MORGAN STANLEY AND ITS AFFILIATES DISCLAIM ANY AND ALL LIABILITY RELATING TO THIS TERM SHEET, INCLUDING WITHOUT LIMITATION ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES FOR, STATEMENTS CONTAINED IN, AND OMISSIONS FROM, THIS TERM SHEET. ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST. MORGAN STANLEY (AND ANY OF ITS AFFILIATES) MAY MAKE MARKETS, HAVE POSITIONS, AND EFFECT TRANSACTIONS IN SECURITIES AND SECURITIES OF ISSUERS MENTIONED HEREIN AND MAY ALSO PROVIDE ADVICE TO SUCH ISSUERS. WE MAY USE INFORMATION PROVIDED BY YOU TO FACILITATE THE EXECUTION OF YOUR ORDER, IN MANAGING OUR MARKET MAKING, OTHER CLIENT FACILITATION ACTIVITIES OR OTHERWISE IN CARRYING OUT OUR LEGITIMATE BUSINESS (WHICH MAY INCLUDE, BUT IS NOT LIMITED TO, HEDGING A RISK OR OTHERWISE LIMITING THE RISKS TO WHICH WE ARE EXPOSED). WHERE WE COMMIT OUR CAPITAL IN RELATION TO EITHER ONGOING MANAGEMENT OF INVENTORIES USED TO FACILITATE CLIENTS, OR IN RELATION TO PROVIDING YOU WITH QUOTES WE MAY MAKE USE OF THAT INFORMATION TO ENTER INTO TRANSACTIONS THAT SUBSEQUENTLY ENABLE US TO FACILITATE CLIENTS ON TERMS THAT ARE COMPETITIVE IN THE PREVAILING MARKET CONDITIONS. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. PRICE AND AVAILABILITY OF THE NOTES ARE SUBJECT TO CHANGE WITHOUT NOTICE. MORGAN STANLEY DOES NOT GIVE INVESTMENT, TAX, ACCOUNTING, LEGAL OR REGULATORY ADVICE AND PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR PROFESSIONAL ADVISORS. THIS MEMORANDUM IS NOT A PRODUCT OF MORGAN STANLEY'S RESEARCH DEPARTMENT AND YOU SHOULD NOT REGARD IT AS A RESEARCH REPORT OR RECOMMENDATION. UNLESS STATED OTHERWISE, THE MATERIAL CONTAINED HEREIN HAS NOT BEEN BASED ON A CONSIDERATION OF ANY INDIVIDUAL CLIENT CIRCUMSTANCES AND AS SUCH SHOULD NOT BE CONSIDERED AS A PERSONAL RECOMMENDATION. THIS COMMUNICATION IS DIRECTED TO SOPHISTICATED PROSPECTIVE INVESTORS IN ORDER TO ASSIST THEM IN DETERMINING WHETHER THEY HAVE AN INTEREST IN THE NOTES DESCRIBED HEREIN.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

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