

## Morgan Stanley Equity Ownership Commitment

Morgan Stanley believes in aligning the long-term interests of employees with those of shareholders. To further that goal and to serve as an example to employees throughout the Firm, Morgan Stanley has adopted this Equity Ownership Commitment.

The Equity Ownership Commitment calls for Operating Committee members to hold an amount of Morgan Stanley common stock or Morgan Stanley equity awards equal to 75% of the after-tax value of all shares of common stock acquired pursuant to Morgan Stanley equity awards granted as compensation for service as an Operating Committee member.\*

The Equity Ownership Commitment applies to Morgan Stanley equity awards as follows:

Restricted Stock Units\*\* — Commitment assumes a 50% tax rate. Example: for an award of 100 units, Commitment applies to 50 after-tax shares.

Stock Options — Commitment considers Net Option Shares acquired upon exercise of stock options. Example: Commitment applies to share equivalent of net proceeds after exercise cost and withholding taxes.

*\*Operating Committee members include the Company's Executive Officers and the heads of certain business units. Common stock held includes shares owned by an Operating Committee member or by his or her spouse or dependent children, including shares held in trust for their benefit.*

*\*\*Applies to performance contingent Restricted Stock Units when earned.*