

USD 12,000,000,000

FACILITY AGREEMENT

DATED 8 FEBRUARY 2017

FOR

MORGAN STANLEY & CO. INTERNATIONAL PLC
AS COMPANY

WITH

MORGAN STANLEY INVESTMENTS (UK)
AS LENDER

MULTICURRENCY
FACILITY AGREEMENT

THIS AGREEMENT is made on 8 February 2017

BETWEEN

- (1) **Morgan Stanley & Co. International Plc** (the "Company"); and
 - (2) **Morgan Stanley Investments (UK)** (the "Lender").

INTRODUCTION

The Lender has agreed to make an uncommitted multicurrency loan facility available to the Company upon the terms and conditions set out in this Agreement to provide funding to the Company and to satisfy the Company's regulatory capital requirements in the United Kingdom.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Availability Period" means the period from and including the date of this Agreement to and including the date that is 10 years prior to the Termination Date;

"Benchmark Rate" means:

- (a) in respect of any Loan in USD, the Overnight Bank Funding Rate;
 - (b) in respect of any Loan in EUR, the EONIA Rate; and
 - (c) in respect of any Loan in GBP, the SONIA Rate.

or such other rate as the Company and the Lender may agree to from time to time:

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, and:

- (a) in relation to any date for payment of EUR, any TARGET Day; or
 - (b) in relation to any date for payment of USD, a day (other than a Saturday or Sunday) on which banks are open for general business in New York;

"EONIA Rate" means, in relation to any day, a reference rate equal to the overnight rate for such day as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page;

"Event of Default" means an event of default under this Agreement as described in Clause 9 (*Event of Default*):

"EUR" and "euro" denote the single currency of the Participating Member States;

"Facility" means the multicurrency loan facility up to the maximum amount of USD 12,000,000,000 made available under this Agreement as described in Clause 2 (*The Facility*) to the extent not cancelled or reduced under this Agreement;

"First Interest Payment Date" in respect of each Loan, means the date specified as being the "First Interest Payment Date" in the Utilisation Request for that Loan or if such date falls on a day that is not a Business Day, the next Business Day;

"GBP" and **"sterling"** denote the lawful currency of the United Kingdom;

"Interest Payment Date" in respect of each Loan, means 31 October in each year or if such date falls on a day that is not a Business Day, the next Business Day; **provided, however, that** (i) the first interest payment date in respect of each Loan shall be the First Interest Payment Date; and (ii) the last interest payment date in respect of each Loan shall be the date on which that Loan is repaid in full;

"Interest Rate" means, in respect of a Loan and any day, the interest rate per annum which is the aggregate of:

(a) the Margin; and

(b) the Benchmark Rate applicable to such day,

in each case, as applicable to that Loan;

"Loan" means a loan made or to be made under the Facility;

"Margin" in respect of each Loan, means the percentage rate per annum agreed between the Company and the Lender for such Loan and specified in the Utilisation Request for that Loan;

"Overnight Bank Funding Rate" means, in relation to any business day, the rate published by the Federal Reserve Bank of New York on the immediately subsequent business day on its website at <https://apps.newyorkfed.org/markets/autorates/obfr>;

"PRA" means the Prudential Regulation Authority or any successor or other entity primarily responsible for the prudential supervision of the Company;

"Repayment Date" in respect of each Loan, means the date specified as being the "Repayment Date" in the Utilisation Request for that Loan or if such date falls on a day that is not a Business Day, the next Business Day;

"Senior Creditors" means all depositors and all other creditors of the Company other than those whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors;

"SONIA Rate" means, in relation to any day, a reference rate equal to the overnight rate for such day as calculated by the Wholesale Markets Brokers' Association and appearing on Reuters Screen SONIA page;

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Termination Date" means 31 October 2035;

"Utilisation" means a utilisation of the Facility;

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made, as specified in the Utilisation Request for each Loan or if such date falls on a day that is not a Business Day, the next Business Day;

"Utilisation Request" means a notice substantially in the form set out in Schedule 1 (*Utilisation Request*); and

"USD" and **"dollars"** denotes the lawful currency of the United States of America.

1.2 **Third party rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

2. **THE FACILITY**

Subject to the terms of this Agreement, the Lender makes available to the Company an uncommitted multicurrency loan facility up to the maximum amount of USD 12,000,000,000.

3. **UTILISATION**

3.1 **Utilisation Request**

3.1.1 The Company and the Lender may from time to time agree on the terms of a Loan to be made under the Facility, including, in respect of such Loan, the Utilisation Date, currency, amount, Margin, First Interest Payment Date and Repayment Date.

3.1.2 If the Company and the Lender agree to the terms of a Loan pursuant to clause 3.1.1, the Company may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request.

3.2 **Completion of a Utilisation Request**

3.2.1 Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the proposed Utilisation Date is a Business Day within the Availability Period;

- (b) the currency of the Utilisation is in USD, GBP or EUR; and
- (c) it reflects the terms of the Loan as agreed between the Company and the Lender pursuant to clause 3.1.1.

3.2.2 Only one Loan may be requested in each Utilisation Request.

3.3 **Making of a Loan**

If the conditions set out in clauses 3.1 and 3.2 have been met, the Lender shall make the requested Loan to the Company on the Utilisation Date.

4. **INTEREST**

- 4.1 Unless otherwise agreed by the Company and the Lender, interest shall accrue from day to day on the amount of a Loan outstanding at the Interest Rate applicable on each day to such Loan.
- 4.2 Unless otherwise agreed by the Company and the Lender, interest on a Loan shall be payable in arrear on the Interest Payment Date for such Loan.

5. **DEFERRED INTEREST**

- 5.1 The Company may, with the consent of the Lender, defer the payment of any amount of interest in respect of any Loan (each such amount being a "Deferred Interest Amount").
- 5.2 Prior to any consent being given by the Lender under clause 5.1, the Lender and the Company shall agree a rate at which interest shall accrue on such Deferred Interest Amount (the amount of any such accrued interest being "Additional Interest"). The Lender and the Company may agree at any time to revise the rate at which Additional Interest accrues.
- 5.3 The Company may, subject to clause 5.4, pay the Deferred Interest Amount together with any Additional Interest accrued to the Lender at any time.
- 5.4 Following any deferral pursuant to clause 5.1, the Lender may, upon no less than 120 calendar days' written notice, require the Company to pay the Deferred Interest Amount. Upon the expiry of such notice period, the Company shall pay to the Lender the Deferred Interest Amount together with any Additional Interest accrued.

6. **REPAYMENT**

Each Loan (together with all interest accrued thereon and other amounts due or owing to the Lender in connection with such Loan) shall be repayable in full by the Company on the Repayment Date.

7. **PREPAYMENT**

In no circumstances shall the Company prepay any Loan.

8. SUBORDINATION

In the event of a winding-up of the Company in England, claims against the Company in respect of a Loan shall be (a) subordinated in right of payment to the claims of all Senior Creditors of the Company and (b) rank senior to the Company's ordinary shares, preference shares and any junior subordinated obligations or other securities of the Company which by law rank, or by their terms are expressed to rank, junior to the claims of the Lender under this Agreement.

9. EVENT OF DEFAULT

Non-payment of principal or interest due by the Company on any Loan shall constitute an event of default under this Agreement.

10. REMEDIES

- 10.1 In the event of the occurrence of an Event of Default, the Lender's sole remedy shall be to petition for the winding-up of the Company in England and the Lender waives all other remedies, including without limitation, any right to institute any other proceedings, in respect of any interest, principal or any other amounts due under this Agreement or in respect of any breach by the Company of any obligation, condition or provision of this Agreement.
- 10.2 In the event of an order being made or an effective resolution being passed for the winding-up of the Company in England (otherwise than in connection with a solvent reconstruction or amalgamation), the Lender may declare the principal of all outstanding Loans due and repayable immediately (and such principal shall thereby become so due and repayable) together with accrued interest.

11. PAYMENTS

Unless required by law and unless the Company and the Lender agree otherwise, all payments made by the Company hereunder shall be made free and clear of and without any deduction for or on account of any tax or counterclaim.

12. SET OFF

The Lender hereby waives any right to set-off any amount of interest, principal or any other amounts due under this Agreement against any amounts owed to the Company by the Lender and waives any right to counterclaim for any amount of interest, principal or any other amounts due under this Agreement in any action by the Company against the Lender in respect of any amount owed to the Company by the Lender. In the event that the Lender recovers any amount in respect of principal, interest or any other amounts due on any Loan (the "Original Debt") by virtue of the application of any relevant rules of mandatory set-off applicable under English law in circumstances where the claims of any Senior Creditors remain outstanding, the Lender shall pay an amount equal to whichever is the lesser of the amount so recovered and the aggregate amount of the claims of Senior Creditors then remaining outstanding to the liquidator of the Company upon trust for such Senior Creditors. The Lender may rely upon a certificate of the liquidator for the purpose of determining whether or not any claims of Senior Creditors remain outstanding and if

so their amount or aggregate amount. The Company shall not be obliged to concern itself with the distribution by the liquidator of any payment so made to the liquidator. To the extent of any payment so made, the Original Debt shall be treated as if it had not been discharged.

13. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

14. AMENDMENT

The terms of this Agreement may be amended at any time by mutual agreement between the Company and the Lender but subject to the prior notification and non-objection of the PRA.

15. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

16. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English Law.

17. JURISDICTION

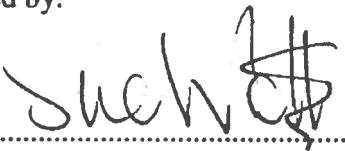
- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or the consequences of its nullity or any non-contractual obligations arising out of or in connection with this Agreement) (a "Dispute").
- (b) The parties to this Agreement agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party to this Agreement will argue to the contrary.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

Signed by:

.....
For and on behalf of
Morgan Stanley & Co. International Plc

Signed by:

.....

.....

For and on behalf of
Morgan Stanley Investments (UK)

Signed by:



For and on behalf of
Morgan Stanley & Co. International Plc

Signed by:



For and on behalf of
Morgan Stanley Investments (UK)

SCHEDULE 1
UTILISATION REQUEST

From: Morgan Stanley & Co. International Plc

To: Morgan Stanley Investments (UK)

Dated:

Dear Sirs

**Morgan Stanley & Co. International Plc – USD 12,000,000,000 Multicurrency Facility
Agreement dated [•] (the "Agreement")**

1. We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)

Currency of Loan: [•]

Amount: [•]

Margin: [•]

First Interest Payment Date: [•] (or, if that is not a Business Day, the next Business Day)

Repayment Date: [•] (or, if that is not a Business Day, the next Business Day)

3. The proceeds of this Loan should be credited to [account].

4. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for and on behalf of
Morgan Stanley & Co. International Plc

